

## NEWS SUMMARY

### General

#### Oilson Equities fall 5.3 on economic doubts

Justice Waller said in Crown Court that he did not think it would be right to go against the principle of a jury being supposed to select the evidence. John Cobb, QC, prosecuted, said that the essence of his case was that from 1963 to 1969 on gave, and Pottinger, ed, gifts, holidays and to the total value of 10.000.000. The object was to get rich work and money as he by using his money to and corrupt. It was unable that Pottinger "did now what the cheques and were for." Page 14

THE GOVERNMENT'S long-awaited move to curb oil demand in the face of mounting supply problems finally came yesterday when it ordered an "across-the-board" cut of 10 per cent in all company deliveries of all petroleum products. The move, which comes into effect today, marks the most dramatic intervention in the oil market since rationing was introduced during the closure of the Suez Canal in 1956. It will affect virtually every type of energy consumer, including industry, offices and—most important—motorists. The Government, however, will allow certain categories of "priority" consumers, such as food distribution and some processing industries, to gain exemption from the cuts under a procedure to be operated as the reductions come into force. Rationing of petrol has been ruled out for the moment, but the Government is introducing a "self-imposed" speed limit of 50 miles per hour throughout the country and is appealing for motorists not to drive on Sunday except on essential journeys. There still remains a strong feeling among some of the major oil companies, however, that the Government will not be sufficient to prevent a serious oil

by the early setback on Wall Street and news of the Government's decision to reduce oil deliveries. It closed at 397.3—the day's lowest—for a loss of 5.3.

● GILTS gained at the shorter end of the market, with Savings 3 per cent, 1965-75 adding 1/2 at 90 1/2. Mediums and longs ended the day generally lower.

● GOLD lost 25 cents, to \$90.25. ● STERLING weighted depreciation narrowed to 17.45 per cent. (17.54 per cent.). Against the dollar the pound rose 40 points to \$2.2905. The dollar was stronger against most major currencies.

### NUM leaders meet to-morrow

● MINERS' leaders meet to-morrow to decide whether following pay talks yesterday with the NCB—they should initiate moves which could lead to the ending of current industrial action in the coalfields. Back Page

● PERGAMON PRESS Board will ask shareholders to agree to a postponement of today's meeting to decide whether Mr. Robert Maxwell, former chairman, should be re-appointed as a director. The DTI's third and final report on the company and Mr. Maxwell is to be published only a couple of hours before the meeting.

● MR. GEORGE SHULTZ, U.S. Treasury Secretary, told a Senate Foreign Relations Committee hearing that Americans would be permitted to deal in gold "at some appropriate moment." This was the "presumption" behind legislation passed by Congress in September.

● NUJ has instructed more than 9,000 journalists on provincial newspapers to adopt restrictive practices from to-morrow morning in support of the union's pay campaign. Page 22

● STOCK POSITION in the grocery trade is the worst for many years and housewives may face shortages of some leading brands of grocery products this Christmas. Page 19

● COMMERCIAL UNION Assurance profit for the nine months to September 30 rose from £24.8m. to £26.5m., but the underwriting loss for the period increased from £3.9m. to £6.4m. Page 25 and Lex

● DIRECTORS of Brooke Bond Liebig are proposing that all shares in the company carry one vote instead of the present system by which "A" Ordinary holders have one vote a share, but "B" Ordinary holders only one vote for every 24 shares. A scrip issue would be made to compensate "A" Ordinary holders for the dilution of their voting rights. Page 26 and Lex

Yarrow 130 + 10  
Anglo United Dev. 404 + 51  
Randfontein Ests. 690 + 15  
Tara Exploration 680 + 28

FALLS  
Bardays Bank 345 - 7  
Breedon and Cloud 105 - 6  
British Land 138 - 5  
Crestal (R) 175 - 6  
Davis (Godfrey) 268 - 8  
GKN 268 - 8  
Heath (CE) 268 - 8  
ICI 228 - 5  
Land Securities 235 - 9  
Rank 335 - 10  
Trib Investments 340 - 10  
Ward and Goldstone 130 - 9  
Shell Transport 235 - 9  
Bishopsgate Plat. 101 - 5  
East Drie 610 - 30  
Peko-Wallaseid 410 - 10  
Pot. Platinum 160 - 7

## Oil deliveries to be cut by 10%

BY ADRIAN HAMILTON

THE GOVERNMENT'S long-awaited move to curb oil demand in the face of mounting supply problems finally came yesterday when it ordered an "across-the-board" cut of 10 per cent in all company deliveries of all petroleum products. The move, which comes into effect today, marks the most dramatic intervention in the oil market since rationing was introduced during the closure of the Suez Canal in 1956. It will affect virtually every type of energy consumer, including industry, offices and—most important—motorists. The Government, however, will allow certain categories of "priority" consumers, such as food distribution and some processing industries, to gain exemption from the cuts under a procedure to be operated as the reductions come into force. Rationing of petrol has been ruled out for the moment, but the Government is introducing a "self-imposed" speed limit of 50 miles per hour throughout the country and is appealing for motorists not to drive on Sunday except on essential journeys. There still remains a strong feeling among some of the major oil companies, however, that the Government will not be sufficient to prevent a serious oil

Some flexibility is being introduced to the system, on the other hand, by allowing not only "priority" customers to gain exemption, but also consumers who can claim special hardship because of the installation of new plant. Reductions in supplies to petrol stations will be calculated against "seasonally-adjusted" deliveries last September and it will be left to the individual retailer to decide just how he will manage the short-fall in his supplies in terms of reducing sales. Theoretically the Government's appeals for compliance with a 50 miles per hour speed limit and avoidance of Sunday motoring could reduce demand by a substantial proportion of the 10 per cent needed. But garages are almost certain to have to introduce their own measures—as some have already done—in the form of limits on the volume of individual sales and by reducing their opening hours, particularly at week-ends. Whether the cut will be sufficient to meet the growing shortage of oil in the country and whether it will be introduced without disrupting industrial output remain very uncertain questions, however. Mr. Walker admitted that U.K.

Imports of oil were down some 7-8 per cent against expectations this month. But the impact of the production restrictions in the Middle East are only now beginning to be felt in lost deliveries because of the shipping time involved. The shortfall in December is likely to be "substantially above" the level of the current month. Reactions, Pages 15 and 16  
Parliament, Page 12  
Editorial Comment, Page 22  
Society To-day, Page 23

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## Priority treatment likely for 36 key trade sectors

BY HAROLD BOLTER, INDUSTRIAL EDITOR

THE 10 per cent reduction in oil supplies announced by the Government last night threatens to have a serious effect on industrial production in the U.K., even though 36 key sectors have been singled out for priority treatment. In preparing its list of priority industries the Government has clearly been aware of the problems facing industries such as steel, glass and some parts of the chemical industry where production is already not high enough to keep pace with the growth of the economy. All industries—including those three, where bottlenecks have occurred already—will be subject to the 10 per cent cut initially. Then those named as having priority can go back to the Department of Trade and Industry and argue the case for at least a partial restoration of supplies later, if they run into difficulties.

### Expansion

The indications are that steel, glass and chemicals will be pleading a special case quickly. The construction and engineering industries have complained for some months that steel shortages threaten expansion. The glass industry admits that it is not making enough bottles to meet demand; definite shortages of some plastics are already evident. Because of the immediate effect any further reduction in steel output would have on the economy, the British Steel Corporation, using 3.6m. tons of oil a year, is likely to be given a high priority for supplies. The glass industry, which estimates that a straight 10 per cent

cut in oil deliveries would lead to a 20 per cent reduction in its production of containers, will also get rapid help if milk deliveries are threatened. The Government made it clear last night, however, that it is only concerned, as regards glass, that milk output should not be affected. The output of containers used for whisky, wines and other drinks is likely to be reduced, at a time when supplies are badly needed to meet the Christmas demand.

### Preference

If it comes to a choice between full-scale rationing of petrol for the motorist and keeping industry supplied with essential fuels, then the Confederation will press for the introduction of petrol rationing. In general, the CBI believes that industry can cope with a 10 per cent reduction in oil supplies—although some industries will have special problems—but that the Government to do more to sustain the momentum of industrial production. Although it is too early to assess what the oil cuts will mean in terms of employment, some companies are thought to have plans to concentrate the use of oil in their more efficient plants at the expense of the less productive. This could lead to layoffs. The present view among Whitehall economic forecasters is that a 10 per cent cut on oil supplies will have only a marginal effect on industrial output, writes William Keegan. If the cuts were to rise much beyond this proportion, however, the effects would be serious and major revision would have to be made to the economic forecasts.

## Heavy U.S. Dow Jones down 28 points on oil fears

BY HAROLD BOLTER, INDUSTRIAL EDITOR

A 10 per cent oil shortage in the U.S. during the present quarter and a 17 per cent shortage during the first quarter next year is projected by the latest estimates, Mr. Charles DiBona, one of President Nixon's senior energy policy advisers, disclosed yesterday. This meant, he said, that further measures would have to be taken "very soon" beyond those put forward less than two weeks ago by President Nixon. The Administration was working on a rationing system.

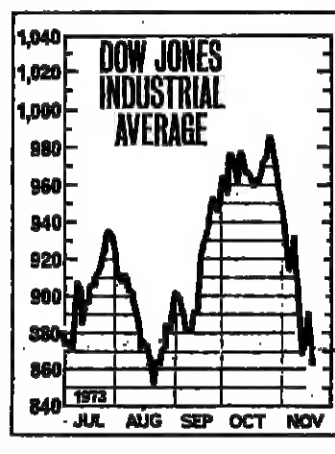
An attempt to force Japan to break off diplomatic relations with Israel is being made by the Arab oil producing States, as part of a new policy of selective sanctions against consuming countries. Their strategy was explained yesterday by Sheikh Ahmad Zaki Yamani, Saudi Minister of Oil, who said: "Those countries now affected by the reductions will be exempted from them on condition that they assist the Arabs in a significant manner, and force the Israelis to leave occupied Arab territory."

Speaking after a ministerial meeting of the Organisation of Petroleum Exporting Countries, in Vienna, he said that Japan could not help militarily but could break off relations with Israel.

CONTINUING fears over the gathering energy crisis on the New York Stock Exchange today pushed the Dow Jones Industrial average down 28.87 points to close at 862.66. This is the index's biggest one-day fall in 114 years and brings the market's slide over the past 14 trading days to nearly 155 points. The fall—which more than erased Friday's rally—is the third drop of more than 20 points on a day in the last two weeks. Trading volume was moderately active at 18.7m. shares, compared with 22.5m. last Friday. Nearly seven times as many issues declined as rose and 192 shares established new 1973 lows, compared with only two new highs.

The market's fears over the oil shortage were aggravated by reports that the White House is nearing a decision on wide-ranging oil cutbacks which could include a ban on Sunday driving. Once again the worst hit sectors appeared to be companies operating in oils, chemicals and the car industries. In oils, Exxon closed \$3/4 down at \$82 1/2, Atlantic Richfield closed \$4/4 down at \$93 1/2, and California Standard fell \$3/4 to \$81 1/2. In autos, General Motors fell \$2 1/2 to \$35 and Chrysler closed at \$19 down \$1 1/2. In chemicals, Union Carbide fell \$3 1/2 to \$34 1/2, and Du Pont fell \$3 to \$16 1/2. Although the behaviour of Wall Street must seem strange to foreign investors in view of the U.S.'s relative immunity to the oil shortage, to-day's move can be seen as a reaction to the bullishness generated by President Nixon's false optimism on Friday.

That, dealers feel, has now been more than disproved and in view of the ill-liquidity of the market—in which the institutions account for more than half of the stock owned—sharp swings in both directions will continue to be a feature of this market for some time to come. Blame for this volatility is now being laid at the door of the specialists—the U.S. equivalent of the jobbers—who are being accused of failing to maintain an orderly market and of over-reacting to each day's move.



## Copper, tin and sugar prices rise to record levels

BY JOHN EDWARDS, COMMODITIES EDITOR

COPPER PRICES reached over £1,000 a tonne on the London Metal Exchange for the first time yesterday. An acute shortage of supplies—mainly as a result of shipments to the U.S.—forced the copper wirebars cash quotation up by £85.5 to £1,012 a tonne. The copper price has risen by nearly £150 a tonne this month and is close to \$900 up on the price a year ago. Tin also reached new all-time peaks yesterday, while zinc prices on the London Metal Exchange regained most of the heavy losses suffered on Friday as a result of the restrictions on trading announced last week. A substantial increase in the European producers' price, at which the bulk of zinc is sold, is expected to be agreed at an unofficial meeting of zinc producers to-day. It is considered that at least £50 a tonne will

have to be added to the existing price of £280. The London daily sugar price also leapt to a record level yesterday, rising by 25 to £114 a ton. The increase matched the price being paid for sugar on world markets as the result of a shortage and the recent collapse of the International Sugar Agreement. For the first time, world sugar prices are now above the price level in the six original countries of the European Community. As a result, the EEC is now reported to be considering an export tax on sugar to prevent domestic supplies within the Community being attracted by the higher world price. The EEC, normally a big exporter of sugar, has already suspended export rebates on sugar since it fears a shortage might develop within the Community.

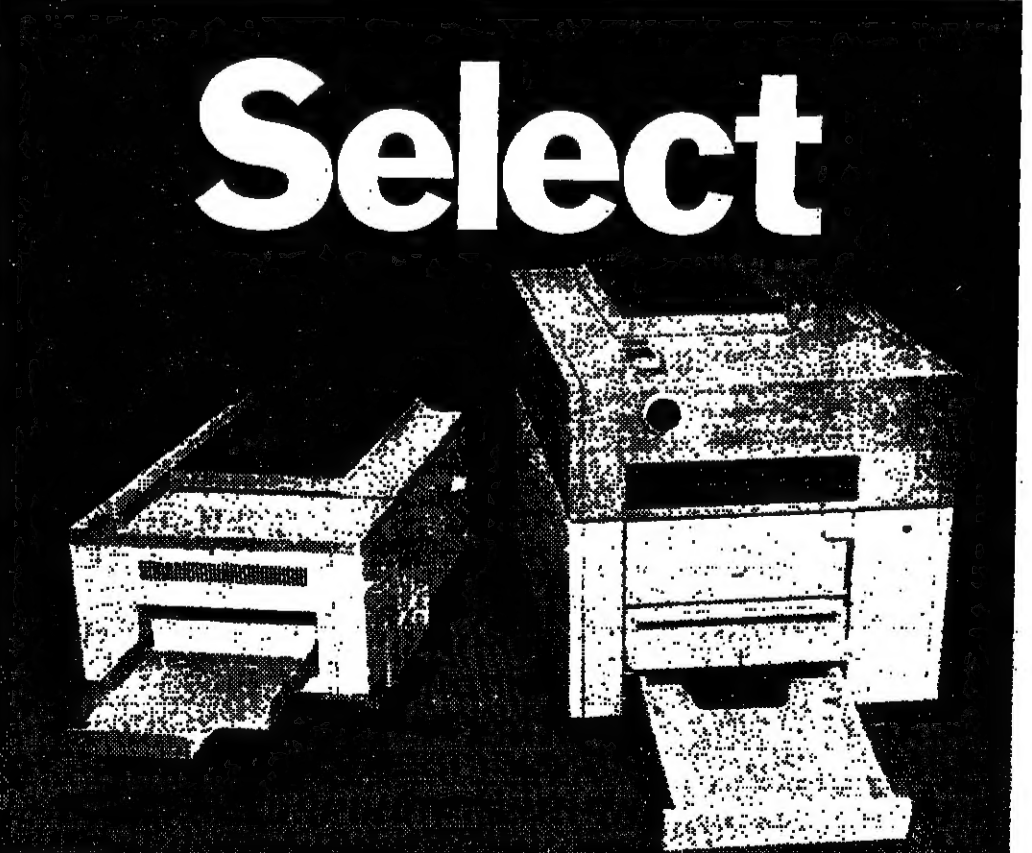
See also Page 29

### PRICE CHANGES

Prices in pence unless otherwise indicated.  
RISERS  
3% 65/75 290 + 1  
Car Auctions 86 + 7  
Tunnel 173 + 6  
Bros 725 + 8  
Bros 725 + 8  
Hotels 129 + 6  
an (B) 53 + 6  
Hedges 122 + 6  
1 (TC) 62 + 6  
16 (B) 135 + 15  
Herbert 123 + 5  
Group 175 + 9  
90 + 6  
Hedges 125 + 10  
16 (B) 135 + 15  
16 (B) 135 + 15  
16 (B) 135 + 15

### ON OTHER PAGES

CLASS	33-36	Miss and Masters	22
Advertisements	20-27	Money Market	39
Bank Rate	28-29	Overseas News	44
Company News	24-26	Racism	12
Crossword	21	SE Dealings and Statistics	30-39
Editorial	2	Stock Exchange Report	31
Farming and Raw Materials	20	Theoretical Page	30
Foreign Exchanges	20	Today's Events	2
FT-Articles Share Index	40-41	TV and Radio	2
FT Share Information	40-41	Wall Street & Overseas Markets	30
General Comments	22	Weather Report	42
Labour News	25-26	What's in the News	24
Leading Articles	22	World Trade News	4
Letters	2	For latest share index 'Phone 01-262 9626	
Lex and Laphard	42		



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Passenger Legal LiabilityCargo Liability  
Aviation War Risks  
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RisksAccidents in Engineering Base  
Workmen's Compensation for  
Employees defined as  
Workmen and All Others  
Fire and Perils  
Motor Insurance  
Malpractices  
Marine

The tenderers must enjoy sound reputation in the international aviation insurance market and adequate experience in the Hull, legal liability and other insurances of internationally known scheduled airline operators. They must provide evidence of conducting such business over a period of seven or more years. Specifically, they must have such experience in the geographical regions where East African Airways Corporation conducts its operations. The current insurances are placed largely in the London market, together with certain foreign Companies, and the handling Broker has exclusive rights to the existing market.

Interested tenderers should apply to the Secretary, Tender Board, East African Airways Corporation, P.O. Box 19002, Nairobi, Kenya, for tender forms and valuation of coverage details and any additional information desired.

Final tenders in plain sealed envelopes, clearly marked "INSURANCE TENDER," should be addressed to the Secretary, Tender Board, marked "Private and Confidential," to reach him not later than 12 noon, Friday, 30th November, 1973.

SECRETARY TENDER BOARD

## WORLD TRADE NEWS

China's new export policy  
now 'in full operation'

BY PAUL R. STRAUSS

CANTON, Nov. 19.

CHINA'S NEW export policy of here think this Fair, the 34th, selling at world market prices is now in full operation and most foreign observers here think it is working rather well.

The high volume of business and pleased expressions of most businessmen attending the Canton Trade Fair which has just ended was in marked contrast with the spring trading season. Then, China surprised its old friends by raising prices from 10 to 1,000 per cent. In most cases the increases were in the area of 50-60 per cent, making many Chinese consumer items far more costly than competitive Hong Kong or Taiwan merchandise.

Now, the Chinese have scaled down their prices in many cases. In others, world market prices have soared upwards to reach the Chinese level. Where variations occur, the Chinese are now willing to negotiate. In the spring, bargaining was practiced only in the case of commodities and some chemicals. Now it is almost widespread.

Qualified diplomatic observers

There is no reason to suppose that regular sales in Canton, mainly chemicals and light machinery, varied much from previous fairs. Chinese officials said they found prices high, but had to go on buying. A few steel purchases were shifted from Canton to Peking apparently for higher level consultations.

One notable increase in sales to China was in the amount of dyes for polyester fibres. Observers said that British sales of high-technology machinery were boosted greatly by the exhibition in Peking. Businessmen were reluctant to give details.

On a longer term basis, the Fair saw such big American firms as Coca-Cola, Westinghouse and Caterpillar Tractor making their first appearance. Of these only Caterpillar proceeded immediately to Peking.

As to the volume of the Fair, the Chinese, as usual, refuse to provide statistics. Diplomats, however, suggest the figure of \$1,400m. to \$1,600m. As the autumn fair is usually considered about 22 or 23 per cent of China's annual trade, this could indicate an increase of 30 per cent. over last year's \$5,600m. annual turnover.

## Swedish trade results

STOCKHOLM, Nov. 19.

THE Bureau of Statistics said today that over a one-year period from October, 1972, to September, 1973, total Swedish exports to the European Free Trade Association countries, the Common Market and the U.S. rose by 25.5 per cent.

The Bureau said, however, that imports from these trading areas rose by 15 per cent. over the same period, affecting a net export increase of 10.5 per cent.

The most notable rise from 1971-72 was a 10.3 per cent. increase in exports of food products, raw materials and energy to Austria, and the highest percentage rise was a 99 per cent.

UPI

Australia lowers  
some import duties

BY OUR OWN CORRESPONDENT CANBERRA, Nov. 19

AUSTRALIAN IMPORT duties on electronics components, and television and radio sets will be reduced significantly from tomorrow under terms of a Cabinet decision announced tonight by the Prime Minister, Mr. Gough Whitlam.

The new rate of duty for components and both types of built up receivers will be 35 per cent. Previously, there was a duty of 33.75 per cent. plus \$A37.50 on a TV set, 33.75 per cent. plus \$A7.50 on radio sets, and 33.75 per cent. plus various specific rates on components.

The Tariff Board, after a review ordered by the Whitlam Government a few days after it took office last December, had recommended a duty of 25 per cent. on most components and 30 per cent. on imported appliances including black-and-white and colour TV sets, radios, radiograms and record players.

The compromise decision by the Cabinet represents a significant political victory for the Prime Minister and his supporters on tariff policy although it must still survive a challenge by the full parliamentary Labour Party at a meeting on Wednesday.

A section of both the Cabinet and the parliamentary party had

been opposing a reduction in present duties for fear of the effects on employment in the electronics industry.

Mr. Whitlam said tonight that the Cabinet decision would mean that colour TV sets, when it went on sale in Australia a year, would be at least 30 per cent cheaper than under the existing protection structure.

The Government proposes to introduce subsidies to maintain local production of components of special significance such as integrated circuits, discrete transistors, crystals and triodes.

Krupp in 10 year deal with Romania

By Malcolm Rutherford BONN, Nov. 19.

FRIED, KRUPP of Essen signed a ten-year co-operation agreement in Bucharest with the Romanian Ministry of Engineering. The agreement foresees the gradual step-up of deliveries of parts and machinery to Krupp in Germany or in third countries.

In the first instance, the Krupp subsidiary, Industrie und Bau, will co-operate with Mining Ministry on the construction of four bucket wheel excavators and two unloaders for open cast pits in the Roma province of Otopeni. Half of plant will be produced in Romania.

The excavators each have an hourly capacity of 1,800 cubic metres and unloaders of 6,500 cubic metres. The agreement was signed when President Ceausescu visited West Germany last June. Other German companies looking for similar co-operation contracts are the aerospace concern, VFW, which has been building its short-haul jets, VFW 614 and the F25, a licence in Romania, and V. Wagen.

Export problems for  
Swiss machine industry

BY JOHN WICKS

ZURICH, Nov. 19.

IN CERTAIN sectors of the machine-building industry it has become doubtful whether Swiss exporters will be able to keep their place on world markets. This was stated by Herr Artur Frauenfelder, managing director of the Swiss engineering concern Sulzer Brothers, in Zurich recently at the annual Press day of the country's machinery manufacturers.

While statistics showed an unaltered rise in exports for machinery as a whole, the sale of some products to markets where exchange-rate developments have made Swiss goods very dear or competing American and British machines much cheaper had been made extremely difficult. Reports of impossible price differences and been expected, with export orders were increasing, said Herr Frauenfelder.

Increases in production capacity in Switzerland were hardly

possible, he said. The Swiss industry was faced in many cases by the necessity of considering further expansions abroad if it was not to lose individual sales. Swiss companies would also have more and more to accept billings in currencies other than the Swiss Franc. To retain traditional markets, Swiss exporters were sometimes having to make considerable price concessions, he said. At the same time, the industry had experienced no corresponding cheapening of imports of raw materials and semi-products from abroad to compensate for the rise in export prices.

Speakers at the Press Day stressed that this year so far had been much better than had been expected, with export values rising by a good 14 per cent. in the first three quarters or about 7 per cent. after weighting for inflation.

Westinghouse nuclear  
order to Belgrade seen

BY CHRISTOPHER LORENZ

WESTINGHOUSE has beaten General Electric and Kraftwerk Union to the order for a 600MW nuclear reactor for Yugoslavia according to Nucleonics Week.

The unofficial news of the order — which Westinghouse could not confirm yesterday — has been heralded as a breakthrough since it is the first time an American power reactor has been sold to an East European country.

The plant, which will be sited at Krsko on the Sava River near Zagreb, forms part of an extensive Yugoslav programme of capital investment in electrical generation equipment.

In those parts of the country with ample sources of coal and water the authorities are building new coal-fired and hydro-electric power stations, but a nuclear station, of 800MW, is reportedly planned for Macedonia.

The generation programme is being reinforced by a World Bank project for a high-voltage transmission system.

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## INTERIM STATEMENT

## HAWTIN LIMITED

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## INTERIM PROFIT AND DIVIDEND STATEMENT

Unaudited results for the six months ended 31st July, 1973

	1973	1972
TURNOVER	£2,000	£2,000
PROFIT BEFORE INTEREST	4,913	2,791
INTEREST PAYABLE	2,646	1,423
PROFIT BEFORE TAXATION	1,645	485
Less: Corporation Tax 46.6% (See note)	1,001	938
GROUP PROFIT AFTER TAXATION	467	437
Less: Minority Interest	534	501
PROFIT AVAILABLE FOR DISTRIBUTION	23	26
Deduct: Dividends (See note)	511	476
Preference 4.62%	13	13
Interim Ordinary 5.6%	166	179
RETAINED PROFITS	332	296
EARNINGS PER SHARE: (See note)		
Primary	1.67p	1.65p
Fully Diluted	1.54p	1.51p

Note: Taxation, Dividends and Earnings per Share. The comparative figures have been adjusted to accord with the current imputation tax system.

## Dividend

The Board has declared an interim dividend of 5.6% (equivalent to 8% gross after including the tax credit applicable to U.K. Shareholders) on the Ordinary Share Capital of the Company. The interim ordinary dividend will be paid on the 5th February 1974 to those members on the Register at the close of business on the 10th December 1973.

The Board has also confirmed the payment of a half-yearly dividend of 4.62% (equivalent to 6.5% gross after including the tax credit applicable to U.K. Shareholders) on the Preference Share Capital. This half-year dividend on the 64%

cumulative preference shares will be paid on 31st December 1973 to those members on the Register at the close of business on the 3rd December 1973.

## Profits

The unaudited Group profit for the six months ended 31st July 1973 is attributed solely to Banking and Financial Services. The transaction for the £10,000,000 unsecured subordinated convertible loan from Associates First Capital Corporation was concluded in October 1973. The 84% interest on this loan will help to alleviate the high cost of money prevailing in recent months.

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## Advertisement

## DKB'S ECONOMIC JOURNAL

NOVEMBER, 1973 Vol.2 No.11

Consumer spending by  
individuals is not big factor  
in overheating

Since the start of the new tight money policy, many are arguing that the rapid expansion of personal consumer spending is largely instrumental in bringing about the rapid upswing of the business activities and the skyrocketing of consumer prices. It is true that personal consumer spending proved to be quite active in the first half of the current year as long as in nominal terms. In real terms, however, the current tempo of private consumer spending is not particularly aggressive in comparison with the past performances. The contention that private consumer spending is the primary reason for the current "overheating" of the economy, therefore, loses much veracity.

The Japanese economy, which started recovering from the beginning of 1972, moved into a major boom from the fall of the same year. In parallel with this development, personal consumer spending naturally started expanding. The growth ratios of the average outstanding amounts of the Bank of Japan notes and all department stores, two of the most reliable consumer-related indexes, recorded sharp gains in every quarter from last fall.

In the April-June, 1973 period, for example, such growth ratios stood as high as 27.6% and 27.1%, respectively, over the corresponding period a year ago. The upswing has been continuing ever since.

A similar upward movement is also evident in household budgets of the Japanese people. The growth ratio of expenditure of all wage earners' households, for example, grew from 7.9% in the July-September, 1972 period to 17.1% in July, 1973. This growth ratio proved to be the highest performance since 1957. The growth ratio of the expenditure of farming households likewise grew from 13.4% to 21.5% during the same interim.

By commodity classifications, expenditure growths were especially brisk for furniture, utensils, clothing and sundry goods. All these categories recorded sharp gains ranging from 20% to 30%. Purchases of motor vehicles proved to be particularly popular and recorded a spectacular growth of 39.5% during the April-June, 1973 period over the corresponding period a year ago (farmers' and wage earners' households inclusive).

Along with the steady expansion of consumer loans, the sharp improvement of the Japanese economy as a whole and the resultant growth in incomes is a cardinal reason for the brisk expansion of consumer spending, especially that for consumer durables.

The growth rate of disposable incomes of all wage

earners' households advanced from 10.8% in the July-September, 1972 period to 17.1% in the April-June, 1973 period. The corresponding figure for farmers' households also advanced from 16.7% to 24.7% during the same interim.

Thus, private consumer spending was extremely brisk in the first half of the current year as far as nominal figures are concerned. In real terms, however, the situation is considerably different and the recent growths are not unusually sharp in comparison with the past performances.

The growth ratio of real expenditure of all wage earners steadily expanded, because of the sharp upswing of consumer commodity prices, from 3.3% in the July-September, 1972 period to 5.6% in the October-December, 1972 period and further to 6.7% in the January-March, 1973 period. With the January-March figure as the peak, however, the growth tempo slowed down and stood at 4.8% both in the April-June, 1973 period and the monthly of July.

As the sharpest growth ratios of real incomes in the past were 8.5% in the October-December, 1968 period, 9.3% in the April-June, 1969 period and 10.4% in the October-December, 1969 period, the growth ratio in the January-March, 1973 period of 6.7% is not particularly high in the times of business upswings.

All these facts combine to show that personal consumer spending was not the primary reason for the "overheating" of the Japanese economy in recent years. Barring the sharp business recovery periods, the ubiquitous and most important factor for an economic expansion is private equipment investments.

The growth ratios of real personal expenditure on the GNP basis (after seasonal adjustments), as a matter of fact, more or less marked time in the recent several quarters and stood at 2.4% in the July-September, 1972

period, 2.6% in the October-December period of the same year, 1.8% in the January-March, 1972 period and 1.4% in the April-June period of the same year.

In comparison, the growth ratio of real private equipment investments steadily advanced to 2.2%, 6.5%, 7.2% and further to 9.0% in the above-cited four quarters.

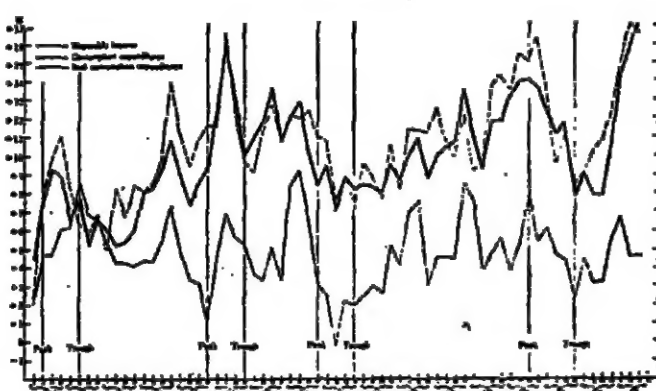
Even in view of the contribution ratio to the nation's total demands, personal consumer spending cannot be claimed as being the primary factor for the recent economic upsurge.

The contribution ratio of personal expenditure to the nation's total demands, for example, stood at 35% in the one-year period (Phase I) preceding the current tight-money period. The corresponding figure in the half-year period (Phase II) after the start of the tight-money policy, on the other hand, dropped to 26%. In sharp contrast to this development, the contribution ratio of real private equipment investments jumped from 24% in Phase I to as high as 66% in Phase II.

The contribution ratio of personal consumer spending to the total demands grows in importance in times of business decline rather than in times of business upswing. This means that personal consumer spending provides a stabilizing effect and, in times of business downswings, it serves as a business-booster purpose.

This is not to say that personal consumer spending itself is of highly stabilized nature. As a matter of fact, it fluctuates considerably owing to the income movements, which, in their turn, are influenced by the turn of business activities. The relations between personal consumer spending and wage earners' incomes have been steadily tightening. Some of the most evident signs of such relationships are as follows:

- 1) In times of business upsurges, personal consumer spending moves in just about the same tune as wage earners' incomes and GNP.
- 2) In times of business declines, personal consumer spending follows the trend of wage earners' incomes with about two quarters' time lag.
- 3) Although personal consumer spending followed the trend of GNP with about a full year's

DISPOSABLE INCOME & CONSUMPTION EXPENDITURES  
OF WORKERS' HOUSEHOLDS  
(Year-to-year change)

Note: July figures for the third quarter of 1973.  
Source: Prime Minister's Office.

time lag up to 1965, the time lag has recently been curtailed to only about a quarter of a year.

When consumer expenditures of all the households in all cities having more than 50,000 population are divided into four major categories — consumer durables (furniture, utensils and motor vehicles etc.), consumer semi-durables (garments etc.), services and consumer non-durables, consumer durables are by far the most susceptible to business fluctuations. Next susceptible are consumer semi-durables and various services. Fluctuations are limited to minimum in the case of consumer non-durables.

What course will personal consumer spending take in the future, then?

In parallel with the steady permeation of the business adjustment policies and measures, personal consumer spending is bound to slow down as a general trend. As has been pointed out elsewhere, however, personal consumer spending has a habit of following the movement of wage earners' income with two quarters' time lag and that of GNP with a full quarter's time lag — both in times of business declines. If such relationship continue to hold true in the days to come, personal consumer spending will continue on a very high plateau even if the Japanese economy should top off in the period from the end of

this year through the beginning of the next year.

What merits an extra attention in the long-range view is the structural change in Japan's personal consumer spending. Consumer durables, various services and leisure activities are sharply increasing their shares in total consumer spending in parallel with the sharp changes in the sense of values of the Japanese people.

It is especially noteworthy that all these items have high resilience vis-a-vis total consumer spending. This fact seems to indicate that personal consumer spending will be subject to greater fluctuations in the future than heretofore.

If this is true, controlling of consumer spending will become of considerable importance — especially in times of business upsurge — for attaining balanced and stabilized growth of the economy.

Possible measures for attaining this goal are such direct measures as tax increases and introduction of incomes policies and such indirect measures as the hiking of the savings rates.

Enforcement of tax increases and incomes policies, however, involves a variety of difficult problems. Creation of highly lucrative savings processes, therefore, should be promoted so that the savings — especially monetary savings — of individuals will increase in times of business "overheating."

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## AMERICAN NEWS

## Vesco said to have Argentine escape route

GUY DE JONQUIERES

NEW YORK, Nov. 19.

JOHN VESCO, the elusive Jersey financier, has contributed \$200,000 to President Nixon's re-election campaign. However, for technical reasons the only way for Vesco to escape extradition from the United States is by a secondary route—that he defrauded his own company, International Controls, of \$50,000.

Mr. Vesco fled the U.S. about nine months ago and since then he has shuttled between the Bahamas and Costa Rica. His U.S. passport has been cancelled, but he has acquired a Costa Rican one (now being held by the Bahamian police) and has defeated U.S. attempts to have him extradited from Costa Rica.

According to the Journal, Mr. Vesco secured his Argentinian fall-back arrangement on a trip to Buenos Aires in his Boeing jet early this month. He completed a prominent law firm there, which prepared his request for permanent residency which was granted shortly afterwards on President Peron's personal orders.

Mr. Vesco was accompanied by four bodyguards and Marti Figueres, the son of Costa Rican President Jose Figueres. Both Figueres have denied smoothing the way for the Argentinian passport, and the President's son has said he went along on the trip simply to try to find customers for his family's rope company.

However, in addition to his Costa Rican passport, Mr. Vesco has close links with the Figueres family. Among other things, as of last year he had more than \$2m. invested in a company controlled by the Costa Rican President.

The disclosure of the Argentinian arrangement has caused some puzzlement. For one thing, it has yet to be explained why President Peron, who recently returned to office, should be prepared to risk provoking the U.S. Government's wrath by providing a haven for an American fugitive from justice.

Indeed, only last September the two countries signed a new agreement widening the number of extraditable offences.

## U.S. ENERGY

## One snag for Alaska oil

BY ADRIAN DICKS IN WASHINGTON AND GUY DE JONQUIERES IN NEW YORK

THE PASSING OF the Bill authorising construction of the Trans-Alaska Pipeline to tap the Alaskan oil bonanza displayed a greater sense of common purpose between the White House and the Congress than is usual these days—as well it might at a time of gathering energy problems.

But in spite of the lack of serious political difference over the vast pipeline project at the close of the particularly arduous legislative chapter of its history, the way ahead is not free of hazards. Some lie in the Alaskan wilderness itself, and the unprecedented engineering tasks involved in building the four-foot diameter pipeline across 789 miles of the most difficult terrain to be found anywhere. Other problems could arise in the corporate Boardrooms of the seven oil companies that will build the line.

For the time being the more familiar ground of Washington still presents potential dangers. For a start, there are the terms of the Bill itself.

The intention of the federal government and its supporters in Congress was to preclude once and for all the further recourse to the courts of the loose coalition of environmentalist groups which has been so successful in finding loopholes in the law up to now.

The new act states bluntly that the courts have no further power to review the pipeline except on constitutional grounds, or on the grounds that the Government may exceed the wide powers which the act specifically grants it.

The immediate possibility that appears to be open to the environmentalists is to challenge the act's main provision, which is to authorise the issuing of permits without further reference to the national environmental policy act of 1969. They could argue that under the separation of powers doctrine, it is not for congress but for

the courts to decide whether the provisions of the 1969 act are being met in connection with the permits.

Lawyers for both the oil companies and the interior department say they believe they would have a good chance of defeating any action brought on these grounds. They may be right, but the long and tangled series of lawsuits brought against the pipeline have sometimes proved them wrong in the past, as well as leading to long and always frightfully expensive delays. So far they are keeping their fingers crossed.

## \$12m. debt to be settled

Two of the environmentalist groups, the Wilderness Society and Friends of the Earth, have reserved their position but have not ruled out further litigation. They may come to the conclusion that while concern for the environment was a powerful issue for the American public last year and the year before, this year's issue is the oil shortage.

Even with the environmentalists out of the picture, there will be a 60-day period of delay before any licences can go forward unchallenged. And before they do so the Interior Secretary, Mr. Rogers Morton, has made clear he will insist on the Alyeska Consortium settling a debt of \$12m. which he claims the oil companies have run up as a result of the Department's huge environmental study into the pipeline's impact on the Alaskan wilderness. Negotiations on this alone could take as much as six weeks, according to Mr. Morton.

Some of the hundreds of licences needed—no one knows exactly how many there are, though some estimates put the number at well over a thousand

—will come from other federal agencies, such as the U.S. Army Corps of Engineers, the Coast Guard and the Environmental Protection Agency. But others will have to be issued by the State of Alaska, and there have been signs that it may drag its feet unless the oil companies either deal it in as a partner in the pipeline, or agree to pay more in taxes.

And not least, there is the little matter of the Federal Trade Commission's interest in the oil industry, already expressed in a series of administrative and court proceedings against alleged anti-trust violations. Ironically, the Alaska Pipeline Act has been passed with two amendments that substantially increase the FTC's independence and its powers to go to court without asking permission from the White House—amendments the Administration failed to get dropped.

Among the points it has been suggested the commission might look into is the fact that the pipeline will be controlled by companies which also own the largest oil deposits. It may also take an interest in pricing arrangements for the North Slope crude.

Even after the last legal hurdle is cleared, it will not be all easy going for the Alyeska Consortium and its member companies. A major problem dogging the pipeline is the galloping cost of construction. Since the project was first announced in 1969, the estimated total cost has more than quadrupled from \$900m. to at least \$4,000m. Of this amount, 90 per cent. has yet to be spent—and financed.

Understandably, this staggering inflation is causing some of the Alyeska members with smaller North Slope interests to look anew at the hard economics of pipeline ownership. Since the rate of return on the line itself is limited to 7 per cent, it is

hardly a money-spinner in itself. Indeed, it could turn out to be something of a liability to companies like Atlantic Richfield and Exxon, which own respectively 28 and 35.5 per cent. of the pipeline, but whose combined share of North Slope oil amounts to only 40 per cent. of known reserves.

Whether Standard Oil of Ohio, British Petroleum's sister company, which owns 28 per cent. of the Alyeska Consortium, but whose share of the oil will come under serious pressure to raise its stake in the pipeline, remains to be seen. But there have been signs of friction among the Alyeska partners. It is reliably reported that when the Alyeska management asked the companies for \$28m. a few weeks ago to finance the first stage of construction, they came up with a mere \$5m.

The mandatory safeguards imposed for environmental reasons make construction much more of an engineering feat. Long sections will have to be buried deep in the Arctic soil—twice as deep as first thought—while the elevated sections will have to be shielded with expensive insulation material to prevent the oil from freezing in sub-zero temperatures. In some places, rock will have to be blasted away with high explosives. Some isolated construction camps will have to be replenished by air.

The eventual cost of the oil from Alaska will be high—the industry is now talking in terms of at least six dollars per barrel or 50 per cent. more than oil from Texas or Louisiana. While this would have been almost unthinkable expensive as little as two years ago it is no more costly to-day than most imported crude. And even if the Arab boycott is lifted within the next few months, nobody sees any likelihood of prices falling back again.

## Second line may be needed

If final authorisation goes through within the next few months, construction will probably begin next spring. Much of the pipe has already been purchased from Japanese suppliers and has been stacked up for some time at Prudhoe Bay. The companies have drilled their wells and fitted valves, which have only

## Nixon urged to 'come clean' as he assesses image

ADRIAN DICKS

WASHINGTON, Nov. 19.

A solid week of meetings, appearances intended to re-assert badly damaged public image. President Nixon was ag to-day at his Key West holiday house assessing his counter-offensive. The results so far of his counter-offensive have been mixed. Some critics of the President are willing to give credit for a tough performance before the meeting of editors at Orlando, Fla. on Saturday night.

White House Press Secretary Ron Ziegler, has been accused of the responsibility for the "negative" reactions which followed Mr. Nixon's Special Prosecutor, Archibald Cox. He added much of the indignation which on that occasion had manifested in a series of "mini-strikes" in GM plants across the country.

The two sides announced that they were withholding the terms of the agreement pending a meeting in Detroit of local union leaders early next week. However, it is considered likely that the contract which, under union rules, must be ratified by both skilled and unskilled workers before implementation, will turn out to be broadly similar to the contracts already negotiated between the UAW and both Ford and Chrysler.

These contracts provided for modest wage increases and improved fringe benefits. Although the UAW still has to reach agreement with American Motors over the new contract, it does not appear that with the GM dispute safely avoided, the dangers of any massive motor industry flare-up are effectively nil.

Since it still has to be ratified by the union rank and file, it remains to be seen whether the GM contract runs into the same difficulties that hit the earlier Ford agreement. There, skilled workers objected to terms in the deal involving voluntary overtime.

## General Motors and UAW confirm new contract

BY JAY PALMER

NEW YORK, Nov. 19.

## Trinidad close to choice of PM

DAVID RENWICK

TRINIDAD, Nov. 19.

HUDSON-PHILLIPS, Attorney-General, is virtually certain to become the new leader of the ruling National Movement and hence the new Prime Minister of Trinidad and Tobago, according to a preliminary count of votes at the annual convention of the party held on December 2, to formally elect his successor to Dr. Eric Williams.

Mr. Hudson-Phillips had earlier incurred Dr. Williams' displeasure by making what many interpreted to be a bid for party power by declaring his intention to challenge the current chairman, Senator Francis Prevatt who is a staunch Williams supporter.

But Hudson-Phillips withdrew his claim for the chairmanship in the expectation, it is now believed, of obtaining higher office—which he now seems set to do.

Under the constitution of Trinidad and Tobago the political leader of the party in power becomes PM if he obtains the support of the majority of his colleagues in Parliament. It remains to be seen whether, after the December 2 convention, the current PNM members in the House of Representatives will rally behind Mr. Hudson-Phillips. There is still some doubt on this point and some political analysts have even suggested that Dr. Williams may be prepared to return to office as PM in the event of Mr. Hudson-Phillips' failure to obtain the required support from the sitting members of the PNM in the House.

Whatever happens, it is expected that a general election will be called within the next 12 months, at which time the PNM, which has been in power for 17 years, is expected to face the stiffest fight of its political life.

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## EUROPEAN NEWS

## Hundreds rounded up in Athens

BY OUR OWN CORRESPONDENT

HUNDREDS of people were rounded up by security police in Athens to-day and four workers were sentenced by a court-martial to four years' imprisonment each in efforts by the military-supported regime to quell student and civilian unrest.

Former Premier Panayotis Kanellopoulos called for a government of national unity to restore peace and order and lead the country back to democratic rule after last week's bloody incidents. Mr. Kanellopoulos, leader of the National Radical Union Party, issued the call in a written statement on behalf of all politicians opposing the regime.

## Acquitted

The four workers, aged between 20 and 27, were arrested yesterday under martial law provisions. They were accused of standing in the street and inciting passers-by to stage a demonstration. A fifth worker who appeared before the military tribunal on similar charges was acquitted.

A government spokesman said to-day that of 810 people—780

men and 150 women—rounded up during the week-end incidents which cost the lives of nine people, only 204 had been detained for further investigation.

Police in groups of three to-day stood on street corners with walkie-talkies and made identity checks on all youths. Scores were taken away in police vans. They can be detained for 48 hours without being considered under arrest.

Security police also arrested Mr. Pavlos Nefeloudis and Mrs. Eleni Bena, former members of Parliament for the pro-Communist United Democratic Left (EDA) Party. Members of their families said a third MP of the same party, Mr. Leonidas Kirkos, was reported to have gone into hiding. Among others reportedly arrested were retired Colonel Nicholas Papanicolaou and retired Captain Alexandros Zarkadas, both of whom were released from prison last August under a general amnesty for political prisoners.

Professor Constantinos Konofagos, Dean of Athens Polytechnic, has been detained by security police since yesterday, his brother-in-law said to-day.

Prof. Konofagos had presided

## FLIGHTS BACK TO NORMAL

PACKAGE TOUR flights from Britain to Athens—postponed during the week-end because of rioting in the city—are expected to be back to normal to-day.

Athens airport was reopened last night. Some flights may be delayed because of the backlog, however. And holiday-makers who have booked with Thomson were not flying to-day. The company had cancelled its two planned flights said an Association of British Travel Agents spokesman.

The first flight back to Britain since Athens airport reopened—An Olympic Airlines jet—landed at Heathrow last night.

over a meeting of the Senate of the Polytechnic last Thursday during which he recommended to the Government that police should not violate the University's asylum and evict about 4,000 students who had barricaded themselves inside the campus.

A government spokesman said

to-day it was exactly because of this misjudgment of the students' real intentions and the subsequent leniency by police which led to the intervention of the army to dislodge the students at dawn on Saturday.

Tanks and steel helmeted troops still guarded key positions in Athens to-day and helicopters continued hovering over the city keeping a watch for any gathering crowd. Minor clashes between youths and police were reported in some suburbs.

Stay closed

A Government spokesman said to-day the universities would remain closed for at least 20 days. He said martial law would remain in force for one month and if law and order was not completely restored by then it could be extended for another 60 days at the responsibility of the Government.

Schoolchildren who went to class to-day were turned back because of the small turnout and the absence of teachers. The population continued buying large quantities of foodstuffs despite a ban under martial law on food hoarding by storekeepers.

ATHENS, Nov. 19.

## French euphoria at summit success

By Robert Munn

PARIS, Nov. 19.

THE TALKS last week-end at Chequers between Mr. Heath and President Pompidou have been hailed here as a great success and the Paris paper "Le Figaro" described them in a euphoric headline with the words: "the new entente cordiale is in better shape than ever."

President Pompidou himself said that his talks with the Prime Minister had been "very fruitful" and had demonstrated that the attitudes of the two Governments towards many issues were very similar. He also stressed that they had shown "great comprehension" for each other's points of view and had left him optimistic about future developments.

It is clear that what has pleased the French most is that President Pompidou and Mr. Heath now see eye-to-eye on the need to forge ahead with European political co-operation and even on the initial procedure to be followed towards achieving a European Union, such as twice-yearly Euro-Cabinet meetings to review policies in various fields.

## First time

The revelation by official spokesmen from both sides that defence co-operation had been discussed is also seen here as a sign that things are now at last moving in the right direction, since this is the first time that a public admission of Anglo-French talks on this subject has been made.

The fact that President Pompidou did not press Mr. Heath on an early return of sterling to a fixed parity and was notably conciliatory on the problem of the Community's Regional Fund, does not, of course, mean that Anglo-French differences on these subjects have been finally solved.

The French still consider the proper functioning of the Community's "snake" to be an essential condition of moving on to the second stage of economic and monetary union, but they recognise that Britain's current economic difficulties do not, for the moment, permit the re-pegging of the pound.

On regional policy, too, the placatory noises made by French official spokesmen hide a number of fairly basic disagreements.

## Industry backing for compromise uranium project

BY RUPERT CORNWELL

PARIS, Nov. 19.

SHORTLY BEFORE the Common Market is due to pronounce on the politically thorny issue of a uranium enrichment plant for the Community, the important European Electrical Producers Association has called for both rival processes to be developed side by side.

The decision, adopted at a meeting of the Association here, offers a compromise between the gaseous diffusion method, sponsored by the French-led Eurodif consortium, and the ultra-centrifugal process backed by the Anglo-German-Dutch Urenco group. It also has the advantage of being closely in line with the possible solution put forward by the Brussels Commission itself last week.

The gist of the producers' argument is that even if both methods go ahead, Europe will still have to import its enriched uranium from abroad by the mid-1980s—perhaps as much as 30 per cent. if foreign clients such as Japan are to be supplied, as is suggested.

According to estimates produced here, the eight member countries of the Association, West Germany, Austria, Belgium, Spain, France, Italy, Holland and Switzerland, will require some 20m. UTe (isotopic units) by 1985.

## Shortfall

However the overall capacity of the two plants will be only 18m. UTe by that date, and in shortfalls will in fact be even greater since Britain (a member of Urenco) and Sweden (represented in Eurodif) are not part of the producers' Association.

In a communiqué issued after their meeting here, the producers stated that demand

would be sufficient for both groups to go forward with their respective plans. Moreover, it warned, "an increasing reliance on non-European sources of enrichment will still be necessary."

Strong support for the gaseous diffusion technique is expected to emerge from an inter-ministerial meeting here on Thursday, not least since the French Government has made it abundantly clear that the Eurodif technique will be a significant bargaining counter in the formation of any European energy policy.

## Anxious

The countries involved in both processes are anxious not to commit themselves to going ahead without firm orders for their product. This will have to await at least a further meeting of the producers here on December 1. But a final idea of the outcome is unlikely until after the Community summit on December 14 and 15, at which the uranium enrichment issue is almost certain to have a high place on the agenda.

To-day also saw what could prove a significant strengthening of France's operations in the nuclear field, with the signature of a potentially far-reaching protocol between Cie Française des Pétroles and Pechiney-Ugine-Kuhlmann.

The two groups have pledged themselves to a closer co-operation on nuclear energy, and in particular the market for consumables, that is enriched uranium. The agreement also specifically foresees tighter collaboration with the official nuclear energy body, the Commissariat à l'Energie Atomique (CEA).

## Oil main issue for EEC ministers

BY LORELIES OLSLAGER

BRUSSELS, Nov. 19.

FOREIGN MINISTERS of the Nine Common Market countries are expected to examine whether they need a single spokesman in their further dealings with

Arab countries when they meet in Copenhagen to-morrow. Informal sources said here to-day. Relations with the oil-producing countries in the light of the Arab boycott of the Netherlands, which is imposing severe strains on Community solidarity at the moment, will be among the main items on the Ministers' agenda.

The sources said long and arduous negotiations would be required before the problems of European oil supplies could be settled. One of the problems the Nine were facing was to make clear to the Arabs that the EEC has to be considered as one and that the Dutch had also subscribed to the statement on the Middle East of a fortnight ago. The implication is that Arab oil producers should not single out the Netherlands for retaliation.

Meanwhile, the EEC authorities here are officially pretending that there is no need to act on Dutch threats about cutting off exports of natural gas to the rest of the Community if the other eight countries do not declare their solidarity with the Netherlands over oil supplies.

The European Commission said it had not been officially informed of the various Dutch statements and sources in at least some of the member States claim that the less said about Community solidarity at the moment the better. If the need arose, the other member States could quietly try to help the Netherlands, the sources implied.

M. Andre Aeyens, Secretary General of the Belgium Economic Ministry, did declare, however, that his country would practice solidarity with the Netherlands and that he saw no reason why Dutch authorities should cut off supplies of natural gas.

Meanwhile, M. Henri Simonet, the EEC Commissioner responsible for energy, to-day informed the permanent representative of member States here of the Commission's proposal for the development of a European uranium enrichment capacity, involving parallel but co-ordinated development of the French gas diffusion method and the ultra-centrifuge procedure backed by Britain, Germany and the Netherlands. The Commission admits that this could involve surplus production of enriched uranium until 1985, and proposes that the Community might stockpile surpluses. This could be done at a cost of 300m. units of account (one unit of account equals the old dollar), the Commission estimates. This would be much cheaper than previous estimates made by the German Government.

The Danish Government to-day announced a ban on Sunday driving from the coming week-end, a 25 per cent. cut in deliveries of oil for heating purposes, and bans on outdoor display lighting and shop window display lighting after business hours. The Sunday driving ban will not apply on Christmas Eve.

The Government has already imposed a general speed limit of 50 m.p.h. on all roads and 26 m.p.h. in built-up areas.

Norway is in the special position of being an oil-producing country, but at the moment duction from the Ekofisk goes nowhere near meeting domestic needs. Within a year, however, when Ekofisk production is scheduled to reach 25m. tons a year, Norway will be producing 2½ times as much as it consumes itself.

## W. Germany takes up Dutch ban

By Malcolm Rutherford

BONN, Nov. 19.

WEST Germany is seeking to raise the ban on Arab oil deliveries to the Netherlands to so far as it effects oil destined for the German market. The efforts are being made through diplomatic channels, but at press conference to-day Dr. Hans Friderichs, the Economic Minister, gave no further details.

Dr. Friderichs said that the extent of the ban on deliveries to Holland could not have been foreseen, and it was for the reason that the German Government had acted only gradually in introducing fuel-saving measures. About 22 per cent. of German oil and about half its petroleum products come through Rotterdam.

Asked about showing solidarity with the Dutch, Dr. Friderichs said the matter had been discussed by Common Market ministers two weeks ago. Failure to agree could not be blamed on the Germans. This another sign that the Bonn Government is less than happy with the Middle East result which the ministers eventually achieved.

Dr. Friderichs also announced the details of the restrictions on petrol consumption which will have effect from next Sunday. For private cars, the limit will be 100 kilometres and 80 km. for trucks and buses. For private motoring will be banned and, with effect from Monday, November 26, there will be a limit of 100 kilometres and 80 km. for trucks and buses on Federal highways.

The Economics Ministry estimates that this Sunday will save about 7 per cent. normal weekly consumption. Lower speed limit should save about a further 6 per cent. On Saturday driving will save another 7 per cent. but at present this is reckoned to be out of the question in pre-Christmas period.

Dr. Friderichs was more cautious than Chancellor Brandt's week about the possibility of further measures to come. When the Chancellor told his Press conference on Friday that petrol rationing in January would be "quite improbable," the Economics Minister only said that it was impossible to see so far ahead.

The Cabinet has still to assess the possible effects of the energy shortage on the economy as a whole, but there are already hints about the danger of its unemployment, not least if the measures to come. The Cabinet will discuss the situation this week with the head of the latest report of the Independent Economic Advisory Council. The report has been revised to take account of energy situation. Publication due on Thursday.

Prices

## 'Priority for Norway report

By Hilary Barnes

COPENHAGEN, Nov. 19. OSLO newspapers after to-day quoted a "very well informed source" as saying Norway would be treated by Arab countries as a priority country for oil supplies in with Britain and France. report said that this was because the Arabs were satisfied with Norway's policies towards the Middle East.

Norway is not a member of the EEC and is therefore danger of feeling the full effect of the Arab oil boycott, as Sweden and Finland, which also outside the EEC. So neither Norway, Sweden nor Finland have introduced rationing on oil consumption although there have been appeals to public to save energy.

In Sweden the Minister of Commerce, Kjeld-Olof Feldt, to give a Press conference to-morrow at which he will about the oil situation. Up now the only plans which have been aired are for a large campaign of voluntary saving by the public. This would include reducing room temperatures extinguishing shop window play lighting.

Sweden is slightly better than most European countries in its crude oil from the Middle East with the balance from Africa, Latin America and East Europe. The latter account for 17 per cent. But about thirds of its imported oil, which makes up about 60 per cent of total consumption, come from Europe.

Finland imports some oil from the Soviet Union. It is still heavily dependent on the Middle East and Europe is likely to remain so. Ministry of Foreign Trade Jermu said yesterday shortly before leaving for trade talks in Moscow that oil would be one of central issues in his talks that the chances of obtaining increased Soviet supplies are small.

Norway is in the special position of being an oil-producing country, but at the moment duction from the Ekofisk goes nowhere near meeting domestic needs. Within a year, however, when Ekofisk production is scheduled to reach 25m. tons a year, Norway will be producing 2½ times as much as it consumes itself.

Read the mail first

## Icelanders cut wires as British trawler ties-up

REYKJAVIK, Nov. 19.

THE FIRST British trawler to enter an Icelandic harbour following the settlement of the fisheries dispute came to Isafjordur on the western peninsula last night. This was the trawler St. Leger from Hull which twice had its trawl wires cut early this year and once was involved in a ramming incident with the Icelandic coast guard boat Thor.

A large crowd gathered at the pier as the trawler came into harbour and twice its pier wires were cut before police intervened. Isafjordur is the largest town on the western peninsula, where protests against the terms of the fisheries settlement have been most pronounced.

The Ministry of Justice reported to-day that it has undertaken a massive investigation of all incidents during the fisheries dispute and is now deciding what charges it intends to prefer against ships that allegedly violated the fisheries limit before the settlement.

A Ministry spokesman, Mr. Baldur Moller, made it clear that the Icelandic Government

would press charges and had not agreed to drop them in connection with the settlement.

## Key vote for CDU

By Jonathan Carr

HAMBURG, Nov. 19. WEST GERMANY'S opposition Christian Democratic Union (CDU) to-day moved towards a key vote on which depends much of the credibility of the party leadership.

Nearly 700 delegates at the CDU Congress here have begun debating the question of Mitbestimmung—the participation of workers in the supervisory boards of companies.

The party's national executive committee has proposed, one model while the party's social committee, on the left of the CDU, has advanced another—slightly more favourable to workers' interests.

Intensive efforts between the two sides to find a compromise went on here until the early morning hours, but a gap still exists.

## Baltic pact progress

BY LANCE KEYWORD

HELSINKI, Nov. 19.

A CONFERENCE at Ministerial level will be held in Helsinki on March 18, 1974, for final consideration of the seven-nation convention on the protection of the marine environment of the Baltic Sea area. This was announced by the working group of Government representatives which has just concluded a two-week meeting here.

The leader of the Finnish delegation said that the meeting had been "amazingly successful." The draft convention completed by the working group will now be submitted to the seven Governments for consideration. The text will then be finalised by legal experts before the Ministerial meeting. The seven nations are Finland, Sweden, Denmark, both Germany, Poland, and the Soviet Union.

The draft foresees a number of measures that will eventually affect all shipping within the semi-enclosed Baltic Sea, which has been designated a "special area" by the Inter-Governmental Maritime Consultative Organisation (Imco).

The working group decided that the terms of the draft convention should be kept confidential until the seven Governments have studied it. However,

## GERMAN HAULAGE QUOTAS INCREASED

British road hauliers who arrange back loads for West German operators will qualify for two German haulage permits for each load given from January 1. This results from a recent meeting of U.K. and West German officials. Under the co-operation quota, only one permit per load is allowed at present.

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## THE MIDDLE EAST

## Secret negotiations on Saudi-Soviet links

BY IHSAN HJAZI

BEIRUT, Nov. 19.

SERIOUS and secret efforts are underway for the establishment of diplomatic relations between Saudi Arabia and the Soviet Union and King Feisal has accepted "in principle" an invitation to visit Moscow.

This was reported to-day by the leading daily newspaper Al Nahar here. In its lead story, the paper quoted informed diplomatic sources as saying that an Arab party close to both Saudi Arabia and the Soviet Union is undertaking the efforts, and that Palestinian commander leader Yasser Arafat is playing a role as well.

The efforts were said to have been encouraged by what has been described as the Feisal's praise of Soviet support to the Arabs in last month's Middle East war, and the monarch's cable to the Soviet leaders earlier this month on the occasion of the 58th anniversary of the Bolshevik revolution.

The news could not be confirmed by Saudi sources here, but East European quarters reported that Moscow and other Communist capitals have for years been trying to establish normal relations with Saudi Arabia without success.

The East European sources confirmed that Arab Government close to Moscow have

recently advised the Soviet Government to capitalise on King Feisal's present mood to persuade him to set up normal ties with the Communist bloc. Whether the Soviets have, in fact, taken the initiative the sources did not know.

Observers said that if Al Nahar's story about Feisal accepting an invitation to go to Moscow is accurate, the development constitutes a major switch in Saudi policy.

Although the Soviet Union recognised the Saudi Kingdom as early as 1926, the Saudi kings have refused to establish diplomatic relations with Moscow, considering the Communist regime there as atheistic.

King Feisal, in particular, has been conducting what amounts to a crusade against Communism. In many of his statements he always lumped Communism with Zionism as the main enemy of the Arabs and Moslems.

In his support of promoting pan-Islamism and Arab conservatism, King Feisal had repeatedly set out to check the Soviet influence in the Arab world in general and in the Arabian peninsula in particular.

Moscow has been suspicious that the Saudi monarch had played a role in persuading President Sadat last year to remove Soviet military advisers

from Egypt.

If the Soviets now succeed in establishing a diplomatic presence in Saudi Arabia, this would constitute Moscow's main gain from the Middle East war of last month, as well as the West's biggest loss.

The U.S.'s constant support to Israel put a serious dent in the traditional friendship between King Feisal and Washington, which expressed itself in the total Saudi oil embargo against the U.S. and the Saudi Government's insistence on taking control of 51 per cent. of the concession of Aramco, the U.S. company which exploits 95 per cent of Saudi oil.

The possibility of Soviet control of Arab oil resources has been a serious worry for the West in general and the U.S. in particular, according to observers, who recalled statements recently by officials in Washington that maintenance of a U.S. presence in the Middle East and Indian Ocean was essential to check the chances of the Soviets gaining a hold on the Arabian peninsula's oil wealth.

Observers believe that if Feisal establishes diplomatic relations with Moscow he will be followed by the Gulf emirates. If he drops his opposition to the Soviets, all the barriers facing Moscow so far in the Arab world would crumble, they added.

## Egypt forces 'badly informed'

BY WILLIAM DUFFLORCE

CAIRO, Nov. 19.

GENERAL AHMED ISMAIL, Egyptian Minister of War, admitted in a long interview yesterday with Al Ahram chief editor Dr. Mohamed Hassanein Helki that he first knew of the October 15 Israeli breakthrough on to the west bank of the canal when he returned to his headquarters after attending President Sadat's October 16 speech to the People's Assembly.

In this the President offered to make peace if Israel withdrew immediately to the 1967 borders and General Ismail's admission confirmed earlier reports that President Sadat was not aware of the west bank position when he spoke.

General Ismail said the local commander believed the amphibious tanks that had sneaked across the canal could be wiped out quickly and sent a battalion of commandos to deal with them.

There was also "an interruption in information" as a result of "changes in the responsibilities of some commands," General Ismail says. "Besides the enemy managed to conceal his tanks in a fruit orchard area in the G. Gap. Ismail's explanation also substantiates reports circulating here that the Egyptian command was badly informed of the developing Israeli threat for the first two or more days of the breakthrough.

The general said he was unhappy about Egyptian military communiqués at the time which did not "abide by the rule of saying nothing but the truth."

KHEDAFFI MAY GO TO PARIS  
CAIRO, Nov. 19.

Libyan President Muammar Khedafi will go on to Paris immediately after his current visit to Yugoslavia, informed sources said here to-day. He is expected to hold a major Press conference in the French capital just before the opening in Algiers of the Arab Heads-of-State summit, which he has refused to attend.

The French Embassy here said it had no information on Khedafi's visit but local sources said the Libyan leader had already indicated his wish to the French authorities.

Sources here said Khedafi's trip was intended to divert attention from the Arab summit, to emphasise his disagreement with President Anwar Sadat and the more conservative Arab leaders and to revive an old plan for co-operation between the Mediterranean States.

But "what we said most of the time reflected what we saw. I must admit that our view of the situation was hazy for several reasons."

## OVERSEAS NEWS

## Air attack at Phnom Penh

PHNOM PENH, Nov. 19.

A CAMBODIAN Air Force aircraft bombed the Presidential Palace in Phnom Penh this afternoon. President Lon Nol was holding a Cabinet meeting in the palace but it was reported that he was not injured.

The propeller-driven T-28 dropped two bombs on the palace at 9.15 a.m. GMT. Smoke was seen billowing out of the palace as big crowds rushed to the scene. At least three people were later reported to have been killed.

Official sources said the closest 250-pound bomb fell less than 100 yards from President Lon Nol, who was in his villa in the palace grounds at the time of the raid.

It was the second bombing attack on the Presidential Palace this year. This spring, a nephew of ousted Cambodian Chief of State Prince Norodom Sihanouk made a similar attack on the palace, missing the main building, but hitting a barracks on the ground, killing several soldiers and members of their families. The nephew, Captain So Potra, escaped in his T-28 and landed in Communist-controlled territory from which he made his way to Peking to join Prince Sihanouk.

## Africa to back Arab cause

ADDIS ABABA, Nov. 19.

FOREIGN MINISTERS from 38 members states of the Organisation of African Unity (OAU) may agree on show of African solidarity in support of the Arab cause in the Middle East in return for Arab support to southern African independence movements, diplomatic sources said to-day.

A two-day meeting of the OAU ministers began with an opening address by Ethiopian Emperor Haile Selassie.

The meeting, called by Algeria and supported by Tanzania, Zaïre and Zambia over the objections of Egypt, was to define Africa's position in the Middle East conflict.

The sources said the meeting also was expected to discuss an extension of the Arab oil boycott against South Africa, Rhodesia and the Portuguese territories of Angola and Mozambique.

They said the Black African states were likely to solicit more help from Arab support for the so-called liberation movements in southern Africa in return for a show of Black African solidarity against Israel's continued occupation of Arab territory.

Egypt made it clear during the OAU's tenth anniversary summit last June that such Arab support for the southern African movements depended on Black Africa showing a united front for Arab attempts to regain lost territories.

This culminated in an anti-Israel resolution calling for total diplomatic and economic isolation of the Jewish state.

All but four countries moved to implement the resolution—Malawi, Lesotho, Swaziland and Mauritius are the only ones that have not yet broken off diplomatic relations with Tel Aviv.

The current meeting, the sources said, also was expected to consider recommendations made by the recent African Liberation Committee meeting on the strengthening of Southern African movements.

Our Addis Ababa correspondent adds: The Council of Ministers admitted the self-proclaimed republic of Guinea-Bissau and the Cape Verde Islands as its 42nd member.

In a speech of appreciation, the Guinea-Bissau Foreign Minister called the decision "a great honour" and said it would serve as an inspiration to his people to continue their struggle.

The admission of Guinea-Bissau came after the assembled delegates ratified by acclamation a resolution tabled by the Algerian Foreign Minister.

## India hopeful on Soviet aid

BY K. K. SHARMA

RUSSIA, having bailed India's Fifth Plan, now nearing completion, but endangered by a critical food situation with a loan of 2m. tonnes of foodgrains, is now obviously planning to cement ties with this country with heavy economic assistance in other directions.

This is apparent from the fact that a high level Soviet team led by Mr. Nikolai Baibakov, Deputy Premier and Planning Minister, begins a week of talks to-morrow with his Indian counterparts on Russian aid, talks which will finish by the time Communist Party leader Leonid Brezhnev arrives here on November 26 on a four-day official visit which will almost certainly produce an announcement of greatly increased assistance to India.

This is badly needed if India's

Friendship, Peace and Co-operation signed in 1971 shortly before the Indo-Pakistan war that led to the emergence of Bangladesh and a victory which would not have been possible without Soviet Military and political support.

A meeting of a joint economic commission is expected soon after Mr. Brezhnev's visit, but before that it is likely that co-operation in the new field of shipping to expand shipbuilding capacity in India will be announced.

Talks on an annual trade plan with Russia are also due soon and hopes are that Moscow will show interest in a railway wagon deal which fell through some years ago when agreement on prices could not be reached.

## Checkpoint talks on disengaging forces

By William Dufflorce

CAIRO, Nov. 19.

Egyptian and Israeli officials discussed the key disengagement issue "informally" for near two hours to-day at the UN checkpoint on the Cairo-Suez road. They decided to hold plenary meetings on Thursday with General Ensis Silahy, UN emergency force command

presiding.

Information on to-day's talk was contradictory. Gen. Aharon Yariv, the Israeli leader, was quoted as saying after the meeting "disengagement of forces will be very difficult." But UN sources were cautiously optimistic. So far, two sides had done little more than state their "maximum positions" and the real bargain was yet to come, the sources said.

Diplomatic sources say Egyptians and Israelis have agreed to leapfrog over question of Israeli withdrawal October 22 lines and in fact disengagement in a wider set but this was partially denied a senior Egyptian source. Egypt has not backed down from its stand that Point A of the ceasefire agreement, if not for talks on the return the October 22 lines, must be implemented, the Egyptian sources said, but he acknowledged that during "informal talks between Major Gen. Abdel-Ghani Gamaasi and Gen. Yariv a wider disengagement had been discussed."

UN sources say the main positions presented by the two sides for the Israelis, Mrs. Meir's proposal that both sides return their pre-October war positions and, for the Egyptians, that Israel withdraw to the El-Eina line in Sinai, allowing a 1000 ft. buffer zone to be interposed between them and the Egyptian forces holding their war positions on the East Bank.

## Hardening

There is a perceptible hardening in the Egyptian attitude towards peace moves, due partly to the feeling that Egypt made enough concessions it now is the turn of the Israelis to make concessions. But the Egyptian wish to see Arab partners before November 23, Algerians say that it is not going soft is a fact.

Both the question of the El-Mandeb blockade and new positions to be taken by the Egyptian and Israeli forces will be discussed to-morrow Israeli Foreign Minister Eban with the U.S. Secretary of State, Dr. Henry Kissinger. Eban will also try to obtain Dr. Kissinger information on the nature of the guarantees which Dr. Kissinger states U.S. might provide Israel as a peace settlement.

Meanwhile, pressure is growing here for a further postponement of the general election, scheduled for December 31.

## Vietnam: over 51,000 dead since truce

SAIGON, Nov. 19.

MORE THAN 100,000 are have been killed, would reported missing in both North and South Vietnam in nearly 10 months since the ceasefire ally began, according to the Vietnamese command to-day. Between January 28 and day to-day, Vietcong and Vietnamese units have lost killed. The Government has lost 10,786 killed, wounded and 3,332 missing command spokesman said.

In addition, the government side has reported 1,832 killed, 5,175 wounded and kidnapped.

The South Vietnamese command said there were 105 attacks in the 30 hours to 1 about 40 more than the day for corresponding period in the past two weeks typhoons brought a lull in areas.

No real battles were reported on route 14 in Quang Province, 120 miles north Saigon, where at least two elements from both the North and Southern armies are each other, two Government troops were killed at wounded yesterday in attacks.

## Court order tribesmen to end flogging

WINDHOEK, Nov. 19.

The Supreme Court ordered two tribal author Ovambo to stop the flogging of political offenders here and abroad.

Mr. Justice G. Hoexter, in an application by the Bishop of Damaraland, Richard Wood, which the Supreme Court to floggings alleged to have to 30 beatings with the palm tree.

The application also called for a halt to any form of punishment against members of the Ovambo People's Organisation (SWAPO) and the Den Cooperation Development (DEMKOP)—two organs critical of the South Government's policy of African homelands in disputed territory.—Reuter.

هكذا منة الأمل





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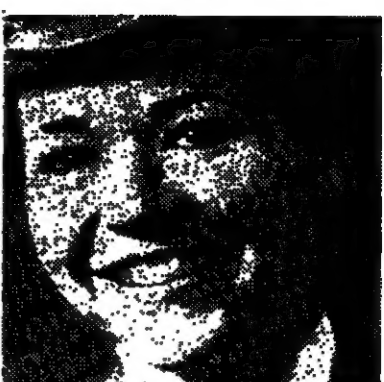
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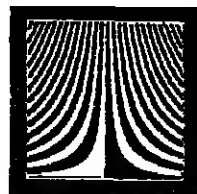
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# The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

## DATA PROCESSING

### Europe's science network

THE COST II European data transmission network to connect scientific centres is at last ceasing to be a largely paper project and is on the road to reality.

The specification, about which there has been much argument in Europe—with the French particularly saying that it was too dependent upon the British P.O. own experimental network, EPSS—is due to be finalised within the next three weeks and invitations to tender are expected to go out in early December to be returned by the second week of February.

The original schedule called for a two-year network creation period from the ratification of the COST II treaty and three years of experiments, which (as the treaty was ratified in February this year) indicates that it is probably running a little behind schedule. However, as much more is now known about packet switching than when the project was mooted in the early part of 1971, some of the experts associated with the project think that there are now fewer fundamental questions to be answered, and that the detailed design and construction will not be as difficult as was originally envisaged.

The COST II contract is a good indication of the interest that industry is now beginning to have in data transmission techniques. Indeed, it can be used almost as a barometer. A preliminary meeting held in Brussels in August this year and attracted representatives from 53 companies, of whom nineteen showed an interest in continuing.

They were invited to put in preliminary statements indicating why they should be asked to tender, and from these a short list of four groupings was drawn up.

In each case, the short list seems to be composed of an Anglo-French alliance, for the companies are (British first) Logica with SESA, PA with CAP Europe, SPL with Steria, and Hoskyns with Hasler GB—a subsidiary of Hasler of Switzerland, and Slogos.

The contract is expected to be worth about £1m, or roughly half the COST II budget. These were the sorts of figures originally discussed when the project was at an informal stage nearly three years ago, and interestingly enough, inflation seems to have made little difference. Inflation seems to have been held by the con-

tinuing fall in the cost of the hardware which will be involved and the increasing experience of the data transmission equipment industry with kit working at relatively high speeds.

Little difficulty is expected even in obtaining the self-policing and measuring adaptive 24Kb modems, which will be of a far higher standard than anything currently on the European market.

The network is to be as initially agreed, connecting France, Switzerland, the U.K. and Italy—including Euratom at Ispra—however there are some indications that at least two of the other four countries which ratified the original treaty (Yugoslavia, Portugal, Norway and Sweden) may well also join before the network is finally on line. Germany stays out because the COST II system continues to be incompatible with Germany's EDS.

The COST II options however are not closed. Due to the proliferation of network experiments now taking place in Europe, much more attention is now being paid to the network interfacing and the interconnection node to enable users outside the project to link in. This node will, probably be in Paris.

As the applications and computing requirements of the U.K. and Dutch offices are broadly similar, and program maintenance costs could be shared, it was decided that the two companies would benefit by using the same system and computer service. Specifically, Lummus Nederland requires large core capacity, short turn-rounds and expertise in handling the special problems of teleprocessing-type computing.

### Ferranti machines for Nimrod

THE FIRST airborne application of Ferranti's F1600 range of computers was announced last

week in a £1m. order placed by EMI for the Ministry of Defence in connection with the Search water radar project EMI is engineering for the Nimrod maritime reconnaissance aircraft.

The computers, of which nine are being supplied in 14 ATR cases, are designated F1600D and consist of central processor, input/output controller, power unit, and modular core store capacity up to 32K 24-bit words.

Conventional roles are reversed in the F1600D, in that the computer is subservient to the peripherals it is connected to, the intention being "ultra real-time" response under the military conditions involved. The peripherals bid for service as necessary and are answered by the computer on a priority basis, each peripheral therefore operating autonomously and in its own time scale.

## PRODUCTS

### Fast servo valve

A SINGLE stage servo valve for low power hydraulic control systems, the D061-205 is being offered by Moog of Cheltenham, Glos. It is claimed to provide excellent performance at low cost, good resolution, good response and a reduced susceptibility to contamination.

Two flappers in the valve are driven by a common armature. Each flapper controls the opening of the two opposed nozzles and has an individual flexure sealed walls before it is pumped ashore is now being equipped at the company's plant at New Westminster, British Columbia.

## ENERGY

### Deep diving at normal pressures

PART TWO of a three-phase programme to build a complete oil-field on the seabed without any surface platforms and in deeper water than any existing wells, is underway at Lockheed Petroleum Services. A manifold centre, or "junction box," which will combine oil from several seabed wells before it is pumped ashore is now being equipped at the company's plant at New Westminster, British Columbia.

Early next year it will be tested on land before being lowered into the Gulf of Mexico to begin its useful life which is depicted in the nearby sketch.

The first phase of the programme was completed last summer (1972) when Lockheed completed an oil well on the seabed in the Gulf of Mexico for Shell Oil in 375 feet of water—the first of its kind in the world. Since then the well has been successfully producing oil which at present is being routed to a platform for transfer to the shore. This wellhead is enclosed in a dry, one-atmosphere, steel cellar which houses the equipment normally carried on surface platforms. It is serviced by engineers who travel to it in a one-atmosphere capsule from a surface support vessel.

The capsule docks with the seabed cellar, the engineers open a hatch to gain access and carry out their work in shirt-sleeve conditions with fresh air and electrical power supplied by umbilical cable from the support vessel.

The new manifold centre will be installed at a location to be determined by Shell and serviced in the same way as the wellhead itself. Its linking to several

Since the valving action is frictionless the threshold of the D061-205 is virtually zero. This, together with a very high frequency response of 400Hz for a 90 degree phase lag—3dB amplitude ratio at 650 Hz, gives the valve excellent characteristics for critical applications where fast and accurate control is required.

One existing application is on spark erosion machinery where the valve's unique performance has given shorter machining cycles and improved surface finish. Other uses requiring accurate control of movement include watch making machinery and numerically controlled machinery for drilling printed circuit boards.

## SAFETY

### Simplified protection from fire

SNAPON fire protection for structural steel columns has been introduced by William Keayon and Sons (Viculad), of Dukinfield, Cheshire.

Viculad will provide the columns with up to four hours protection from fire and, in addition, offers a high resistance to mechanical impact damage.

Designed for quick and easy application, the Viculad system consists of non-combustible Viculad board bonded inside a sheet steel casing. This casing is supplied in two sections which have interlocking metal joints. For installations on site, the casing is simply placed around the steel column and the two sections interlocked by means of a non-combustible adhesive compound and the metal joints. The interlocked joints are permanent and flameproof, while the outer casing protects the installation from day-to-day mechanical damage.

The period of fire protection provided by this new system will depend on the thickness of the incorporated lining. The system has been tested at the Fire Research Station, Boreham Wood, in the requirements of BS 479, Part 8, 1972. A copy of the test report is available from the system manufacturers.

Viculad can be supplied to suit any section of structural steel column and is obtainable in lengths of up to 8 feet. The outer metal casing is available, as standard, in untreated mild steel, pvc-coated and galvanneal finishes.

## MATERIALS

### Lubricates chains and cuts wear

GUARDIAN LINKGARD PCL is specially formulated for use where conveyor chains are subjected to chemical, phosphate, paint or other atmospheric contamination.

It is claimed that its use ensures complete penetration to all mating surfaces (including links and pins of 458-type chains) plating them with a fine, high-load carrying, wear-reducing barrier film without leaving harmful residues, even at extremely elevated temperatures.

Linkgard is composed of interlocking low-friction, non-melting lamellar solids and organic compounds, dispersed in a chemically inert, non-toxic, non-carbonizing ultra-light synthetic oil possess- ing unique temperature and corrosion resistance. Penetrative qualities have been further enhanced by the use of a non-flammable solvent. Acting synergistically, the solids and carrier together provide a tough, barrier film which prevents

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metal-to-metal contact even under high temperature, extreme pressure conditions. A temperature range of -40°C to +260°C is coped with although the lubricating solids will provide efficient lubrication up to +1,000°C.

Manual application is possible but the product is particularly suitable for application through oil-mist lubricators and lubrication cycles generally be considered extended where an ordinary has previously been in use. Guardian operates from Foreberry Road, London, S.E.4

## Catalyst converter decision

CORNING Glass Works has a two contracts that mean ceramic substrates will be used in catalytic converters to purify the exhaust of Volkswagen cars. The contracts have been signed with Dugassa and with John Matthey, both catalyst manufacturers who will supply catalyst substrates to Volkswagen.

Corning had already agreed supply substrates for use in Ford and Chrysler autos, and an automotive products plant is under construction near Corning, N.Y.

The substrates, trademarked "Celcor," are cylindrical have a honeycomb structure through which exhaust gas passes. The cellular passageway support catalyst, such as platinum, which converts hydrocarbons and carbon monoxide and carbon dioxide. Catalytic converters are designed to meet the requirements of U.S. Government's Clean Air Act, beginning with 1976 model cars. Delivery of the substrates by Corning is to begin with a pilot lot at the end of this year, and production will begin in the half of 1974, Corning said.

## ELECTRONICS

### Isolates a high voltage

AN OPTICAL isolator miniature package has been announced by Monsanto. It is used to isolate voltage signals, eliminate ground feedthrough, and isolate logic signals and logic signals. The package is a four lead epoxy package that measures 0.120 inch by 0.110 inch by 0.085 inch thick. This size chosen because it matches the largest chip capacitor in hybrid work.

The unit is compatible with both hybrid circuits where soldering is used and TTL without additional circuitry. Electrically, the MCT10, features 1500 volt isolation typical and a typical dc current rating of 80 per cent. Rise (non-saturated) of the unit is 3.0 microseconds, with a corresponding fall time of 16 ns. The output transistors have a minimum collector-emitter breakdown voltage of 30 volts.

Further information Monsanto Electronic Products, Monsanto House, Victoria Street, London or Semiconductor Specialists, miter House.

## Predicting gas demand

THE GENERAL energy situation being what it is, the demand for gas in the coming months is likely to have to be monitored a little more closely than might otherwise have been the case.

As the weather begins to get colder a narrow approximation of demand relative to temperature is being made by Eastern Gas at its Potters Bar headquarters in Hertfordshire. The corporate planning executives involved are using a Hewlett Packard model 10 desk-top calculator to carry out much of the statistical analysis in a variety of forecasting procedures. In some cases they have used the calculator to build up prototype Fortran programs for use on larger machines. The HP machine is also being used to match the supply of gas to the requirements of the grid network.

## Unilever in Europe

THE FIRST overseas terminal link to Unilever Computer Services' IBM 360/65 computer gets under way this month with a dedicated 4800-baud line across the Channel from The Hague to Watford.

The new user is Lummus Nederland BV, the Dutch office of the Lummus Company which has installed a Data 100 model 75.

While this is UCSL's first European leased line connection, it is its second with Lummus whose London office, Lummus Company, has been using a similar terminal on line to Watford for the past 18 months.

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## Pact on "safer" explosives

EXPLO-RIDGEWAY International (ERI), the off-shore explosives service company, has entered into an agreement with the ICI subsidiary, Nobel's Explosives Co., Stevenson, Ayrshire, Scotland to make available some of the resources of NEC, such as research facilities, supply, stock control, distribution and general administrative functions, as well as the services of field engineers, which will widen the scope of ERI's operations to meet the increasing requirements of the off-shore oil industry.

Explo-RidgeWAY International, with offices in Paris, London and Beirut, specialise in the use of two-component chemical energy systems which are used in various underwater devices for cutting pipe and trenching for a sea-bed.

These systems represent a new explosives technology and as the materials involved are classified as safe, non-explosive chemicals, they can be carried on board commercial aircraft, thus giving the advantage of the fast transportation usually required by off-shore oil contractors. On arrival at the job site the chemicals can then be mixed to form a safe high explosive.

## Watch over a broad gas grid

WYTHENSHAW Division of Ferranti, through its German subsidiary in Wiesbaden, has recently been awarded a contract for the supply of a gas grid control centre for Stuttgart. The contract is worth over £150,000.

The computer system will be used in the control room to monitor and optimise the gas supply, and ensure a constant

consumer supply. The system monitors all sections of the grid for pressure drops, which could indicate a leakage, and informs the control room of the situation as an "alarm" before a serious supply failure can develop.

Stuttgart control covers a large gas grid of both medium and low pressures covering an area of over 630 square kilometres around Stuttgart. The main gas supply to the area comes in via two high pressure pipelines which are tapped to supply the medium pressure grid, which operates at three atmospheres pressure. The local consumer distribution network is fed from the medium pressure system. A certain amount of generation and storage plant is also owned and controlled by Technische Werke der Stadt to help meet peak loads.

This is the second gas grid control centre to be ordered from Ferranti. The first was built for the Gas Council at Hinckley, England.

## COMMUNICATIONS

### Australia added to network

MARK III time-sharing is being extended to Australia and is now available to computer users in four continents—Japan, nearly all North America, and 10 Western European countries already have links to the Honeywell service.

Mark III, which prior to its commercial introduction had already attracted user contracts from some 60 organisations in Australia, is being distributed through the Trans-Pacific satellite link between Australia and the U.S. At the heart of the service is the "supercentre" operated by General Electric Company (U.S.A.) in Cleveland, Ohio. This contains multiple large-scale Honeywell Series 600 and 6000 computers and is connected through communications links to outlets all over the world which users of the service can dial up on their local public telephone network.

Australian Mark III users can connect to the service through access points in Melbourne and Sydney. From Sydney, a communications concentrator based on a Honeywell 416 mini-computer relays their data to the Australian Post Office ground station at Moree, some 300 miles north. From Moree the data are beamed via INTEL-SAT to a ground station in California and

thence by land lines to Cleveland where they are processed and returned to Australia via the same links.

## New ideas on police links

BURNDEPT Electronics (ER) is to design, build and install a new control system to be used in the new police communications room to be set up by Glasgow Corporation.

The new control room has been planned by Glasgow police and the contract is for the replacement of the existing system which has become inadequate in view of the re-organisation and extension of the police forces in that city. It will centralise all communications and will include computer and data displays to enable information to be readily available to the police force on the beat and on patrol.

Emergency 999 calls from the public will be received in the control room to speed police to the scene of an incident. Facilities also include faster direct communication between the Glasgow police and adjacent forces.

Burndept, subsidiary of the Ever Ready Company (GB), says this contract is one of the largest to be readily available to the police force in this country.

## MACHINE TOOLS

### Control of a vertical mill

GREATLY increased flexibility and speed in numerically controlled machining have been demonstrated by research engineers at Battelle's Columbus Laboratories who have linked a vertical mill with a mini-computer.

Battelle's Dr. Nuri Akgerman reports that the recently developed experimental machining system can be programmed—directly on the computer/controller—to cut a variety of analytically defined geometries. These include circles, ellipses, and hyperbolic parabolas.

The system, with its three-axis controlled capability, is the result of a two-year effort by a Battelle group who felt the need to develop a numerical control laboratory tool having considerable versatility. Specialists in metalworking, electronics, and computer technology were closely associated with the development.

In one experimental project the total fabrication time was reduced by 60 per cent, using the new system. The project involved the machining of a cylindrical plastic injection mould. The total time required to complete the part was 16 hours—12 for programming and checkout and four for the actual machining. With conventional techniques, it is estimated setup and machining time would approach 40 hours.



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## STREAMLINING STEEL

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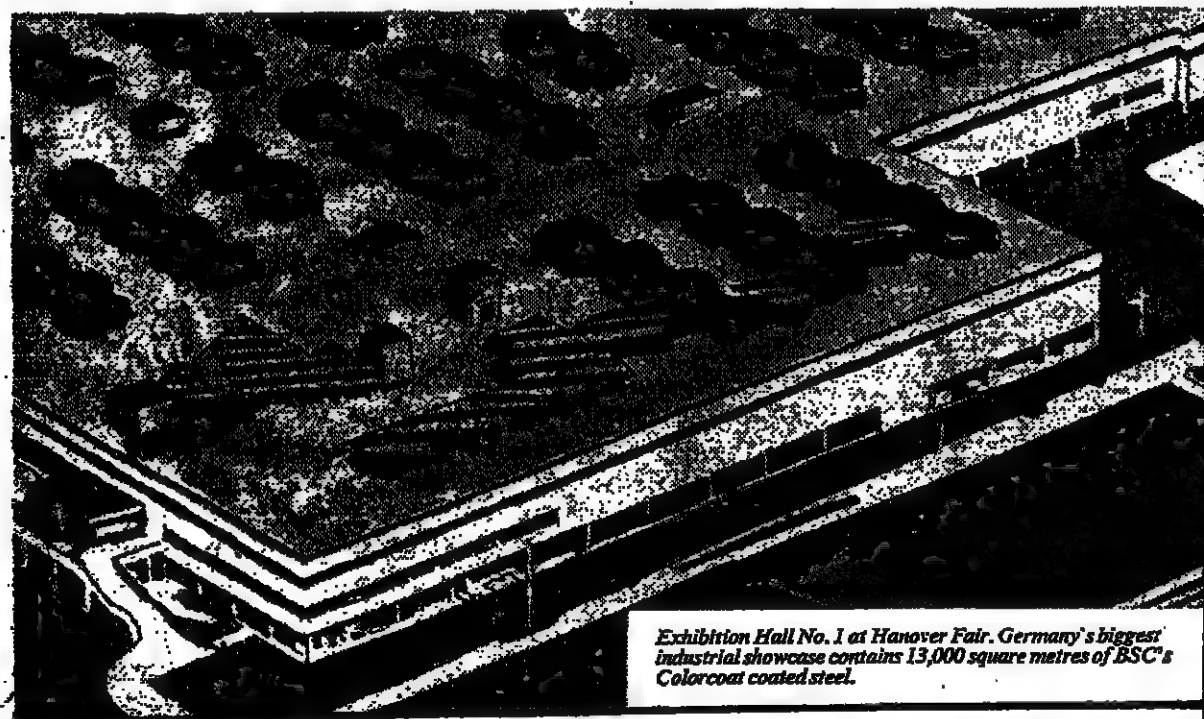
Research is a vital part of British Steel's development strategy. Here are some of the current benefits of a research programme which will continue over the next ten years.

The performance of steel has been dramatically improved through combining it with other materials. For example, steel coated with zinc has strength plus corrosion resistance. Car underbodies made of it last for years.

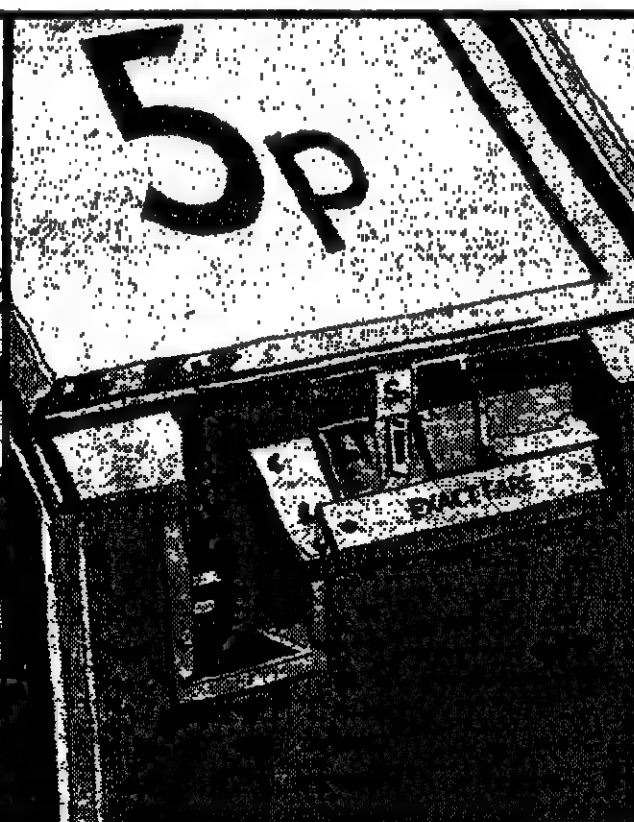


Steel coated with plastic means it can have pattern and texture and be all the colours of the rainbow. There are flock-coated steels, foam-coated steels and steels coated to give

suede effects. Steel, red, white and blue, is used in buildings, cars, TV sets and swimming pools.



Exhibition Hall No. 1 at Hanover Fair, Germany's biggest industrial showcase contains 13,000 square metres of BSC's Colorcoat coated steel.



There is a silent steel—a BSC development. Take two sheets of steel and a sound-deadening core, put them together and you have a sandwich without 'ring'. Already its use is making motoring quieter. And ticket machines on London's Underground have incorporated silent steel.



Other interesting developments are just coming up. Take vitreous enamelling. Basically this means coating steel with glass. It once meant two complex processes. Now BSC has developed one-coat enamelling steels so that enamelling can be done in one operation.

The benefits of this research and development are many. It results in not only better and cheaper goods for the consumer, but in simplified and improved manufacturing techniques. Steel that needs no painting or galvanising gives manufacturers greater flexibility and enables them to cut out many expensive additional processing operations.

This is one of the plastic-coating lines at Shotton which BSC is developing into a major production centre for coated steels.



The British Steel Corporation employs 3,000 research workers. The results of their continuing efforts are helping to make BSC economically sound and confident of its future. These new

methods of finishing steel are just one example of the way in which their abilities are being deployed to ensure that the Britain of the 80s has the steel industry she needs.

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BRITISH STEEL CORPORATION



STREAMLINED STEEL





EXPANSION OR DEFLATION, SAYS PM

# 'Hard choice' for Britain

BY PHILIP RAWSTORNE

STEADY EXPANSION and an orderly increase in wages. Or a return to deflation, stagnation and unemployment. That was the "hard choice" offered the country by Mr. Edward Heath, the Prime Minister, yesterday.

Expansion could be continued, he said. "Let the nation seize this opportunity. Let us break through the cycle of stop-go." Mr. Heath's call, in the Commons debate on the Government's economic management, roused little enthusiasm or confidence.

Indeed, following Mr. Harold Wilson's charges of "bankrupt policies" but equally uninspiring alternative management prospects, the debate is likely to have persuaded more of the country's voting shareholders to turn to the Liberals.

The Opposition Leader, presented with so many opportunities for attack, nibbled at them all without any real bite. But even the mere recitation of the broken promises on prices, the plunging value of money, and the general "rake's progress" into the pit of last month's trade deficit was enough to hold the Tory benches in discreet silence.

"The Government have created an asset-strippers' paradise," said Mr. Wilson. "They have fortified the already excessive power and arrogance of the property speculators."

While these people plundered the nation's wealth at the expense of ordinary families, the Government itself was "living on Eurotick."

Mr. Wilson said: "The country cannot afford another 18 months of this Government. They have no policy remotely relevant to deal with the crisis they have created. The last remaining relevant and constructive step open to them now is to confess their failure and get out."

Mr. Heath, of course, made no such confession—let alone instead he ran briskly and bullishly through a "balance sheet" of Government policies and achievements that would hardly have satisfied his own reformed company law.

The standard of living had increased substantially, industrial investment next year would be the highest since 1963, and exports were rising faster than the volume of world trade, he said. The country's reserves were sufficient to take the strain on the balance of payments.

Mr. Heath said: "The Government embarked deliberately on a policy of expansion knowing full well the internal problems that would be encountered on the way." The solution to the country's problems lay in continuing that policy.

## Tory talk of 'steel black market'

By Justin Long, Parliamentary Correspondent

ALLEGATIONS of a black market in steel were discounted by Mr. Peter Walker, Secretary for Trade and Industry, but he agreed to look into the matter when pressed to do so from the Tory backbenches in the Commons yesterday.

Raising the complaint at Question time, Mr. John Stokes, (C. Oldbury and Halesowen), claimed that British steel was being exported to Europe and then re-imported to be sold on the black market.

There was "growing alarm and despondency" in the West Midlands because of the severe shortage of steel that affected many manufacturers, Mr. Stokes contended.

He wanted to know if Mr. Walker was able to deny rumours that re-imported steel was being sold in this way.

The Minister agreed at once to look at any specific details about such a practice if these were supplied to him. Our, total exports were a relatively small proportion of our total production, he added.

## In balance

Moreover, exports and imports of steel, both relatively low figures, were broadly in balance.

Anxiety over the availability of steel continued to be pressed, and Mr. Christopher Woodhouse, (C. Oxford), urged Mr. Walker to direct the British Steel Corporation to ensure that when steel was in short supply it should be rationed with particular regard to the needs of long-established customers.

Mr. Woodhouse said the BSC had refused an allocation to a long-standing established customer in Oxford.

The Minister, however, declared his confidence that the BSC was allocating the available supply as fairly as possible. He could not give an answer on the customer's problem raised by Mr. Woodhouse, but said that careful consideration would be given to that application.

There might be some factors of which he was not aware. The DTI had created a clearing house organisation with stocks and the BSC for dealing with such cases.

## Scottish TUC to call third 'Assembly'

EDINBURGH, Nov. 19. THE SCOTTISH TUC is to convene a third Scottish Assembly in May next year, to debate issues arising from the recent Kilbrandon Commission recommendations for an elected Scottish domestic Parliament with legislative powers.

The Assembly, which draws its representatives from all political parties, industrial and development organisations, local authorities and the Churches, has twice been called into session by the STUC. The last time was in January this year when about 1,000 delegates debated Scottish unemployment.

## Pork Farms Limited

Half year's results

up to 31 September, 1973

	1973	1972
Turnover	£2,000	£1,000
Interest payable	6,394	4,880
Trading profit	554	446
Profit before taxation	93	63
Taxation at 50% (1972-40%)	461	382
Profit after taxation	230	153
Earnings per share	231	228
	7.4p	6.2p

Notes: 1. All figures shown are unaudited

2. For comparative purposes the 1972 Earnings per share figure has been adjusted to assume taxation at 50%

### CHAIRMAN'S STATEMENT

I am pleased to report increased sales and profits for the six months ended 31 September, 1973. Sales were almost £7m. and pre-tax profit has increased by over 20 per cent compared with last year to £461,000, a record half year for our group.

Sales at the beginning of the second half of the year have started at record levels and I am very confident that the results for the year will be satisfactory.

The launch of our products into London and South East England has been successful and although considerable expenditure has been incurred in this first half year we expect the benefits to accrue in the future.

Interim Dividend. The Directors have declared an interim ordinary dividend of 2.625p per share (3.75p per share with associated tax credit) compared with 2.0p per share gross last year declared under Phase 1 counter-inflation legislation. The maximum total dividend for this year under current legislation will be 6.615p per share (9.45p per share with associated tax credit). The interim dividend will be paid on 2nd January, 1974 to shareholders on the register at the close of business on 7th December, 1973.

DAVID SAMWORTH, Chairman

## Government is living on 'Euro-tick,' says Wilson



Mr. Harold Wilson

THE GOVERNMENT had been elected on one mandate only, that of prices, said Mr. Harold Wilson, Opposition Leader, opening yesterday's Commons debate on the Government's handling of the economy.

It had been to do with the cost of living, including food, rents, fares, school meals and mortgages.

Mr. Wilson told Mr. Heath: "You are there because of a typically broken covenant of a made-with-the-British people over prices and for no other reason."

Mr. Wilson said Mr. Heath made appearances on television and made Press announcements but not to Parliament if he could help it.

"This motion was tabled last week to censure the Government on the bankruptcy of their policies laid bare by the panic announcement of last Tuesday morning and the catastrophic trade returns which produced it," Mr. Wilson said that taking the Labour pound at 100p in June 1970 the latest figures showed that it had depreciated to under 75p.

After referring to the Government's "mandate," Mr. Wilson said that if this Parliament ran the full five years the Conservative pound "would be at best" down to 85p. If the Conservative Party was elected for another period of office, he estimated that the Conservative pound would fall to around 44p.

### 'Deceit'

"On prices as on housing this Government was conceived in deceit and it has compounded the deceit by its treatment of those whose trust created it," Mr. Heath told Mr. Wilson: "One of the reasons why you have lost all authority to appeal to the British people is that you have not only betrayed the pledge which won you the election, you deny having made it."

Amid noisy protests from Conservative back-benchers, Mr. Wilson told them: "Let each of you pick the largest ball in your constituency and throw it open to all the people. Then read to them the Prime Minister's 1970 election address and then read the relevant parts of the Tory manifesto."

"Then read the record of last week's trade figures, the 13 per cent. Bank rate, the credit squeeze and the cost-of-living figures and then apologise or better still resign."

The announcement of the state of emergency was, as was intended to be, a diversion from the breakdown of economic

policy and an attempt to shift responsibility.

Mr. Wilson said he reckoned that October's trade deficit was in fact around £370m—12 times the £31m. visible trade deficit in the month before the 1970 General Election.

Mr. Heath said he viewed the £31m. deficit as "catastrophic" while the £370m. appeared to be "one of those intriguing problems of success."

Mr. Wilson said he further indicted the Government for imposing a 13 per cent. "Bank Rate" and a credit squeeze. The "Heath Pound" had been devalued by 25 per cent. at home and by 17 per cent. to 20 per cent. abroad.

"This Government is living on 'Euro-tick,' he declared. If the Government did not act to reverse the trade position no amount of borrowing would solve the problem.

He went on: "Come hell, high water or a 13 per cent. Bank

Rate, the one thing this Government will not sacrifice is its discredited ideology."

The Government had created "an asset stripper's paradise." They had fortified the already excessive power and arrogance of the property speculators.

From February to May this year, bank advances to manufacturing industries had fallen by £140m. But to the financial sector, bank advances rose by £263m. Large property companies got £174m. of that figure while personal loans, other than home loans, were only £96m.

In a radio programme on Sunday listeners had learned that speculators had made £500m. in the last year—more than the total budget of the GLC and more than the total budget of a country the size of Austria. In the last six months speculators had taken another £220m.

Mr. Wilson said the Government should have reintroduced control of borrowing, including capital issues, control and an ordered queue for new loans. "Until they do this Ministers will need to have increasing recourse to panic bank rate figures."

Referring to the "inflationary scandal" of unlicensed credit cards he said: "Access takes the waiting out of waiting—and adds it to inflation." (Laughter.)

### 'Stop drift'

Every trade union had accepted Stage Two of the prices and incomes policy, however reluctantly, but nevertheless prices had risen faster than ever. "Now it is the wicked unions once again."

Referring to coal production, Mr. Wilson said: "Any pay and prices policy is meaningless if it does not provide for special action to deal with wastage and recruitment."

"If the miners are highly paid, why are 600 a week leaving to go to other industries? In the

## Labour case denies modernisation of Britain, says Heath

THE FEW SUGGESTIONS hurriedly slung together at the end of Mr. Wilson's speech did nothing but "deny modernisation of Britain and the critical economy," Mr. Edward Heath, Prime Minister, said.

The Government "embarked deliberately on a policy of expansion knowing full well the internal problems to be encountered on the way," Mr. Heath said. The country's reserves were sufficient to take the strain on the balance of payments.

Periods of stagnation had made it difficult to meet the requirements of expansion. The trade unions also had not yet organised themselves to deal effectively with industrial disturbances.

"The Government recognised the time it would take to adjust to the problems but these adjustments can be easier when the nation can see that expansion is not only going about but is going to continue."

When the economy was well-balanced it could be managed successfully with 'generalised' measures. When the economy was seeking to establish a new balance, however, more selective measures had to be taken and such was the "justification" for the Government's regional policy.

### Output up

Mr. Dennis Skinner, (Lab. Bolsover) intervened to ask if it was "in order for more than 50 per cent. of the Government members to be asleep at the same time."

Mr. Heath: "You know perfectly well that is not true. Having failed to try to shout me down you now try to mislead the House."

Industrial production was up nearly 10 per cent. on a year ago, and was still rising fast. The problem now was to increase production from existing capacity in every way possible for equipment or manpower.

Mr. Heath said the Government's policy was "bringing about regeneration of the regions," and was reducing un-



Mr. Edward Heath

employment. Twice as much was being done this year in training and retraining as a year ago and a massive speed up would be made especially for industries such as construction.

The latest Department of Trade and Industry investment survey pointed to 1974 as the highest growth year for investment in the country for over 10 years—"as a result of the expansionist policy of this Government."

The present position was different from previous attempts to break through the stop-go economy because Britain's exports were now competitive throughout the world with much more profitability and more incentives to industry.

### Speed

Turning to the state of emergency announced last week, he said two years ago the Government had waited in a crucial time. "It was understood, however, that the present situation could deteriorate and further damage industrial relations. We decided not to wait this time and our action has proved right."

There had been a 10 per cent. to 22 per cent. estimated loss of coal output last week and that,

national interest the Prime Minister should concentrate on stopping the 30,000 a year drift from the mines, and getting 30,000 a year into the mines."

Miners knew an undue portion of the national cake was cut for the people who contributed nothing to the country's wealth and welfare. Would there be a state of emergency if speculators, asset strippers, and tax avoiders went on an overtime ban?

Mr. Wilson held up a pamphlet called Directors' Leasing which he said offered "massive" tax relief on items such as motor-cars, aircraft and luxury power yachts.

After quoting examples and referring to some of the more glamorous models Mr. Wilson referred to a cheaper one—the Ferrari Dino, described as "the ultimate fun car." He scoffed: "It looks like it."

### Handout

He asked for what national purpose should the Chancellor be handing out money for that. He understood that the tax relief on that car was £2,684, "and that is about two years' take-home pay for miners in my constituency."

He invited the Prime Minister to square this with the sort of speeches he had been intoning through Stages One, Two and Three.

Mr. Anthony Barber intervened and asked Mr. Wilson to say whether these reliefs were available under the Labour Government.

Mr. Wilson said he understood that they were not. He ended: "The country cannot afford another 18 months of this Government."

"This Government have no policy remotely relevant to deal with the crisis they have created. The last remaining relevant and constructive step open to them now is to confess their failure and get out."

From the Tory back benches,

## Walker talks of 'situation in which all U.K. energy supplies are at risk'

BY JOHN HUNT

MR. PETER WALKER, Secretary of State for Trade and Industry, made no attempt to minimise the seriousness of the present energy position when he announced to the Commons yesterday that the Government was taking measures to reduce oil deliveries by 10 per cent.

"We now face a situation in which all our energy supplies are at risk," he told the House. "Coal and electricity because of industrial action and oil because of continuing uncertainty about production in the Arab countries."

"The measures we will have taken by to-morrow will, in combination, be far greater than in any other European country—far greater than in the U.S. or Japan."

In later exchanges he told a Tory questioner: "The increase in prices from the Middle East countries will have a considerable impact on prices and indeed on the balance of payments."

Mr. Walker explained that, where the exemption was well come, there would still be a very considerable drop in oil supplies to Europe and the world at large during December. But it was

hoped that at a later stage some of the present cuts would be dropped and normal fuel supplies resumed.

A Conservative back-bencher suggested that in view of the deteriorating situation Britain should follow the example of Belgium and close petrol pumps on Sundays.

Mr. Walker replied firmly: "No sir." He thought such a move would only lead to difficulties, particularly in regard to nurses and doctors. It was not a sensible move.

### Rural areas

It was suggested to him that the cuts would badly affect rural areas. But Mr. Walker retorted: "To reduce to 90 per cent. of normal consumption will not cause any great problem or hardship. The overall position on the latest estimate is that the U.K. still has stocks for over 70 days. There has not been a massive deterioration in our position."

A list of those in special categories was being published immediately. He advised those in the categories to make special application to the regional offices of the Department of Trade and Industry.

In a series of questions Mr. Anthony Wedgwood Benn, Opposition spokesman on Trade and Industry, asked what action was being taken to prevent a black market developing, as it

was suggested that the maximum amount of newspaper circulation for advertisements should be limited. Mr. Grant replied: "It is not for me to pontificate on how newspapers should use the newsprint."

"The industry is sorting out the difficulty, and the Government will enter into discussions if necessary."

Whatever reactors were chosen, Parliament would have a full explanation. At the end of the day, however, he said, it would be for the Government to make the decision.

When the question of the newspaper shortage was raised, Mr. Anthony Grant, Under Secretary for Industrial Development, said the scope for short-term action was limited.

The newspaper industry had made arrangements which were working satisfactorily, Mr. Grant maintained. The situation would be kept under review by the newspaper producers and the newspaper publishers, he told MPs.

From the Tory back benches, the choice for the unions, remains a steady expansion with provision for a return to stagnation and unemployment."

It was still true the solution to our problems lay in continuing growth and expansion of investment.

### 'Opportunity'

The Prime Minister went on: "We have achieved expansion. We have the opportunity of continuing with steady expansion provided we seize every opportunity now of increasing production."

"We should abandon old techniques of management, abandon go-slows, bans on overtime and other industrial practices as a means of settling disputes and supply the export orders now on our books."

Other countries had far greater problems with higher rates of inflation. They were being even more damaged than we were by the oil situation. He urged the nation to seize the opportunity and break through the policies of stop-go which had bedevilled the country for so long.

## 'Further aid' hint for Harland and Wolff

THE GOVERNMENT was willing "in principle" to provide further financial support for the shipbuilding firm of Harland and Wolff, Belfast, Mr. William Whitelaw, Northern Ireland Secretary, said in a Commons written reply.

He told Mr. Merlyn Rees, Labour spokesman on Northern Ireland affairs, that the Government remained convinced of the need to secure the future of this important shipyard as the largest employer in Northern Ireland.

The Government had told the company of its continued confidence in the management. Mr. Whitelaw said: "A detailed examination of the position, including in particular the com-

pany's capital investment programme, is being undertaken urgently with the assistance of outside consultants."

"The form and amount of support required will be assessed when this examination is completed and at that stage I hope to make a further statement."

### LABOUR CHOICE FOR BRIGG

Mr. John Ellis, former Labour MP for Bristol West, has been selected as the party's candidate for Brigg and Scunthorpe in Lincolnshire at the next election. Mr. Ellis, a member of Bristol City Council, was in Parliament from 1964-70.

had done during the Suez crisis in 1956.

He thought the situation pointed up the need for the Government to be more flexible in its dealing with the miners and the electric power engineers—a suggestion that brought some snorts of contempt from the Tory benches.

Mr. Walker pointed out to Mr. Benn and to a Tory questioner that boarding would be prevented by a combination of Home Office regulations already in force and the new ban on stinging petrol in cans.

He said some of the small companies had had to stop deliveries entirely, but it would be getting furt supplies under pooling arrangements between the oil companies.

### Commodities

price drop 'would save Heath'

THE U.K. is in for "an extremely difficult winter," said a spokesman for the present boom in commodity prices would "bale Mr. Heath out," Sir Frederick Catherall, managing director of John Laing said yesterday.

Sir Frederick, a former director of the National Economic Development Council, was speaking at a conference of stockbrokers E. B. Savory, M.P. at Interbuild, the International Building and Construction Exhibition at Olympia.

Cuts in oil supplies would mean a setback for domestic economic growth in all areas affected, but this would lead sharp downturn in commodity prices, Sir Frederick said.

As a result, import prices would fall, and the U.K. balance of payments and terms of trade would improve. "Oil could be the instrument to cure inflation."

### JAPAN LICENCE

Saito Industries' export scale turbine gas turbine indicators will be manufactured under licence in Japan by Hokushin Electric Works.

## NUBE Co-op Bank ballot on pensions

BY JOHN WYLES, LABOUR REPORTER

THE NATIONAL Union of Bank Employees is balloting 1,300 members in the Co-operative Bank this week on possible strike action in support of demands for an improved pension scheme.

Ballot papers being sent out on Friday will ask if the staff is willing to take strike action if it is called by the NUBE national executive. The result of the ballot is expected early next month.

The strike threat follows talks over several months on the NUBE demand that the bank withdraw from the Co-operative Wholesale Society pension scheme and substitute arrangements in line with schemes operated by the major clearing banks.

The NUBE claims the CWS scheme sets only minimum standards. Benefits are said to have fallen behind those offered by other banks where staff can get to November 12.

### SCOTS GROCER WORKERS' PAY

By Our Labour Reporter PAY RISES, believed to line with the Government's scheme and substitute arrangements in line with schemes operated by the major clearing banks.

The increases are by scheme sets only minimum standards. Benefits are said to have fallen behind those offered by other banks where staff can get to November 12.

## Northern textile pay rise of £2.25 a week

BY OUR OWN CORRESPONDENT

ABOUT 12,000 workers in the textile industry in Yorkshire, Lancashire and Scotland will get pay, the women's rate of pay, increased by 21 per cent. to 97½ per cent. of the men's rate.

In addition talks are taking place on sickness and payment of the pay Board.

The one-year agreement, between the British Wool Confederation and the General and Municipal Workers' Union, sets a new basic rate of £20 a week for operatives, £23.50 for drivers and £28 for operatives and technicians.

A threshold agreement, in line with the Stage Three Pay Code, will give an extra 40p a week if the Government's retail

those in the rest of manu day between the Paintmakers Association of Great Britain and trade unions in the paint, varnish and lacquer industry for pay rises of £7.49 a week plus shift allowances and shorter hours for 30,000 manual workers in the industry.

The unions are demanding a £2.40 a week increase on the basic wage of £18.78 a week to bring workers into line with working a double shift for increases of £4 a week or higher increases for workers. Last April the trade's manual workers received an increase of £1.68 a week.

## Paint workers seek rise

BY OUR LABOUR STAFF

NEGOTIATIONS began yesterday between the Paintmakers Association of Great Britain and trade unions in the paint, varnish and lacquer industry for pay rises of £7.49 a week plus shift allowances and shorter hours for 30,000 manual workers in the industry.

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## AUEW faces new char

THE Amalgamated Union of Engineering Workers faces another charge of unfair industrial practice in the National Industrial Relations Court to-morrow.

A complaint against the AUEW's engineering section has been made by Coventry tool-maker Mr. Bryan Dennis, who imposed on the AEU Industrial Relations Court



دولت اسلامی

# We believe you should change your car as often as you change your house.

It seems that the average home owner holds on to his house for six to seven years. Which is about three times longer than the average new car owner holds on to his car.

And though it may seem strange coming from a car company in this age of obsolescence, we'd be happy to see people changing their car as infrequently as they change their house.

After all, once people are looking for a car that will last them quite a few years, they'll want the qualities we've engineered into our Audi 100LS.



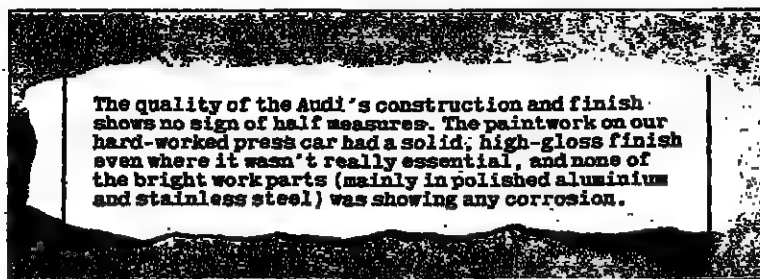
Good ideas don't change.

Its styling, for a start, isn't the sort that looks dated a year after you've bought the car. As the Sunday Times observed in August 1973: "You wouldn't guess by looking at it that the Audi 100LS was first introduced in 1968. Were it to have appeared for the first time at one of the forthcoming Motor Shows, I doubt very much whether people would have considered it anything but a perfectly acceptable 'European car'."

This year, in fact, is the first year we've altered the car's styling in any way. (Notice, the slightly crisper lines on the front of the car.)

There'd be no point in giving our car a body line that will stand the test of time if the rest of the car won't.

If you'd care to study virtually any road test on the Audi 100LS you'll find that our efforts to prolong our car's life span haven't gone unnoticed.



The AA know a well made car when they see one.

The AA's road test is a typical example.

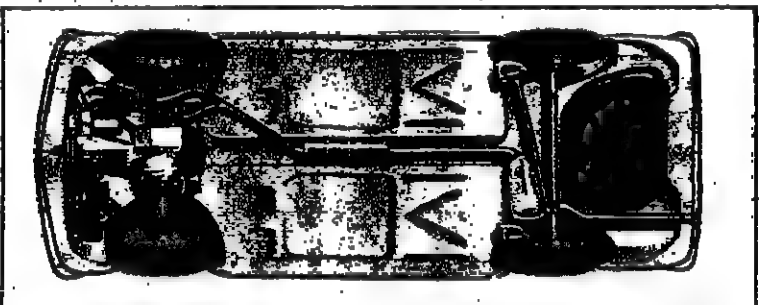
Opinions like this one are backed up by figures from the official Swedish vehicle testing institute which checks all two year old cars. They found that the Audi 100LS averaged 20% fewer faults per car than the average for the other executive saloons they tested.

But really, you can judge the way we put our cars together without testimonials like this. Just go along to any Audi NSU dealer and have a look at both the new and used Audi range.

Run your fingers over the car's paintwork and then do the same on other cars. You'll surely notice, because of the way we hand spray every single car, that the paintwork feels smoother on the Audi.

Look underneath any Audi and you'll find it's unusually well protected against the combined effects of salt and water attacking from beneath.

Not only is the underside of the car protected with PVC,



There's no point in protecting the top of the car if you don't also protect the bottom.

instead of the normal wax or bitumen that can be chipped off by flying road debris. But the PVC actually extends into the engine compartment, and up the sides of the car as far as the bottom of the doors.

A car, however, needs to be more than well made if it's going to last you for quite a few years. It also has to be able to answer your changing motoring requirements over that time.

You may begin by wanting a performance car, in which case the Audi's 0-60 in 11.7 seconds and its cruising speed of 106mph (where the law allows) will commend itself to you.

As your family grows, you may then need the extra space of a family car. You'll find the interior of the Audi 100LS is one of the largest you can buy, at any price. And its interior as well as being large is also lavishly furnished.



A great place for the whole family.

At some times of the year, particularly when going on holiday, you may find you need the extra space of an estate car for carrying luggage. In which case the Audi's cavernous 23 cubic ft boot is at your disposal.

Finally, as school fees start to come in, you may decide you need an economy car. In which case, you'll be gratified to know that the Audi's petrol consumption of 26mpg (Autocar) is not only better than other cars in its class, it's also better than some one litre cars.

All in all, you can see that an Audi 100LS is a car that should be with you for quite a few years.

Which makes its price of £2,227, seem rather more reasonable.

After all, if you keep a car for longer than normal you can afford to spend a little more than normal on it in the first place.



If you want a better car, think about it.



Audi 100 LS £2,227. Manufacturer's recommended retail price including VAT and special car tax. Prices may be subject to currency surcharge.

Customer Information Department, AUDI NSU (GB) Ltd., Quadrant House, Church Street, Dunstable, Bedfordshire. Tel: 0562 663171. Export enquiries to: 95, Baker St., London W1. Tel: 01-935 0088. A member of the Thomas Tilling Group.



هكذا من الأهل



OIL CUTBACK: List of priority users • How industry will be hit • Likely U.S. measures

# Walker announces priority list to protect essential users

Peter Walker, Secretary for Industry, after speaking in the House of Commons, said a further statement on oil.

"We have decided from tomorrow (Tuesday) to deliver to the essential users of oil the exception of public transport will be cut by 10 per cent. All other users will be based on the consumption in the corresponding month of last year. Suppliers will work out the allocations from their records and will notify each consumer.

"In drawing up our allocation plans we have consulted the CBI and the motor industry. We shall continue to look to them and other organisations for advice as the situation develops. And, of course, we are in day-to-day touch with the oil companies. Allocations, as I have said, will be based on consumption in the corresponding month of last year. Suppliers will work out the allocations from their records and will notify each consumer.

## The priority uses

functioning of Government establishments; operations of the Armed Forces; operation of agricultural machinery and equipment used in production of food; in milling, including the production of bread, rusks or flour; production, processing or storage of milk or milk products; processing of oil seed, oil refining, fat melting, the manufacture of soap, lard, cooking fat or oil; slaughter of livestock, including ancillary processing; production, treatment or storage of petroleum or petroleum products; getting, dressing, manufacture or preparation for sale of fuel; extraction of coal from coal workings; production and supply of gas; production and supply of electricity; operation of emergency services; production of iron and steel.

The production of castings, forgings and other basic forms of ferrous and non-ferrous metals; The smelting and refining of aluminium; The production of chemical substances derived from petroleum feedstocks; The manufacture or processing of medical or pharmaceutical supplies and appliances, excluding cosmetics and toilet articles; The operation of railways, including both the underground and surface railways operated by London Transport; The bunkering of fishing and coastal vessels, including scheduled ferry services; Lighthouse, lighthouse and marine search and rescue operations; The operation of airports and supporting services, including safety services, aircraft maintenance facilities, air traffic control centres, air navigation obstruction lighting and communications, radar and navigational facilities located throughout the country; Telecommunications services (including broadcasting); The operations of the Post Office, the British Broadcasting Corporation, the Independent

Broadcasting Authority or any programme contractor within the meaning of the Independent Broadcasting Authority Act, 1973; The printing of daily, weekly and evening newspapers and all newspapers normally published on Sundays, the primary purpose of which is in each case the dissemination of news; The collection or disposal of refuse, including toxic waste; The purposes of cremation; Hospitals or Nursing Homes; Community health services; educational services or social services certified by the Department of Health and Social Security or by local authorities as dependent on oil for space heating and as essential to the well-being of the elderly, the mentally disordered, the chronically sick or the physically handicapped; The operations of water undertakings; The operations of sewerage or sewage disposal undertakings; The operations of drainage authorities; The operations of river authorities; The operations of Police Forces; The operations of the Fire Services.

what he may expect to receive. I realise that there may have been changes since last year—some consumers' needs will have increased and some may not have been using oil at all a year ago. Any consumer who had doubts about his allocation should get in touch with his supplier in the first instance. "Arrangements are being made for adjusting initial allocations where this is clearly justified. But I emphasise that it must be justified by some change in circumstances—such as the addition of new capacity. Please for exemption from the cuts where there has been no change in circumstances will not be accepted. To give some consumers more would mean giving others less. Each and every one of us must make a contribution to the savings that are needed.

### No Sunday ban

"The cuts will apply to deliveries to garages and I ask them to do their best to share out supplies fairly and to meet the needs of, for example, doctors and nurses and others on whom our well-being depends. It is essential that we all immediately cut out all unnecessary motoring and save petrol by driving economically. The motor industry will be publishing detailed advice on this. In particular I ask everyone to observe a self-imposed speed limit of 50 m.p.h. as from tomorrow. Reducing speed from 70 to 50 m.p.h. on a motorway can cut consumption by 30 per cent. And don't drive at the week-ends

except on business or for some other essential journey.

"In a country where good sense and responsible behaviour is still, fortunately, the general rule I have decided not to impose a ban on Sunday motoring. Indeed motoring organisations reported today that there were far fewer motorists on the roads at the week-end than usual. I believe we can achieve effective economies on a voluntary basis. I do not want to prevent people visiting the sick in hospital or going to church, but if they can walk or go by public transport so much the better.

"If we achieve a real cut back in consumption by 10 per cent. immediately as a result of these decisions then our chances of holding the situation are improved. Already today's move by the oil producers offers a marginal improvement in the overall situation. "But initially the fight to conserve energy must rest with individual consumers. The Government is mounting an intensive advertising campaign in the Press and on television, starting on Wednesday, on the need for fuel conservation. It is for each and every person, in whatever way, to cut back on demand—and they must do it now."

# Sharp cutbacks expected soon in U.S.

BY ADRIAN DICKS

THE WHITE HOUSE is expected to announce shortly a ban on Sunday petrol sales and sharp reductions in the use of home heating oil, according to Dow Jones.

In addition, it is anticipated that the President's emergency action group, headed by Mr. John Love, will order reductions in the use of electric power by homes and by commercial establishments.

The Nixon Administration is also asking airlines to cut back their scheduled flights still further, in a new package of mandatory energy-saving measures.

One of the President's senior energy policy advisers, Mr. Charles DiBona, told a Congressional sub-committee today that the most recent estimates project a 10 per cent. oil shortage during the current quarter and a 17 per cent. shortage during the first quarter of 1974.

As a result, further measures would have to be taken "very soon" beyond those put forward less than two weeks ago. Among the steps being considered are a ban on Sunday driving and on fuel for private boats and aircraft, a legal limit of 38 degrees for domestic thermostats, and regulations to

close filling stations and other retail businesses at week-ends.

Mr. DiBona also said that the Administration was working on a rationing system, though he said that "if we can take other steps, we should."

On Saturday night, President Nixon made clear once again his own opposition to rationing, but Mr. DiBona's remarks this morning in answer to questions from Senator Hubert Humphrey left the impression that the Government remains divided on the issue.

While Mr. DiBona and Mr. John Love at the White House appear to be moving towards it, Mr. George Shultz, Treasury Secretary, and other members of the economic team are more in favour of a tax on consumption. A third school of thought, which includes the Secretary of the Interior, Mr. Rogers Morton, seems to favour a rationing plan to administer a rationing plan.

## PETROL RETAILING

### Suppliers study how to apply restrictions

PETROL COMPANIES which U.K.'s petrol requirements with more than 13,000 outlets, described the move as a first step towards a system of allocation of supplies. The proposals, which were generally welcome, would bring about varying degrees of inconvenience.

The effect on stocks would be monitored on a day-to-day basis to see whether the cutback was adequate over a period of time. Esso, the second biggest U.K. supplier, which last week announced its own contingency plans, also welcomed the move.

The Motor Agents' Association, representing 18,000 garages and petrol stations, said that assurances that stations would receive a known proportion of their deliveries allied with an appeal to the public to economise, met with approval.

"Any steps which reduce the possibility of petrol having to be rationed by coupon in the present circumstances are for about 40 per cent. of the accepted by the Association."

## AD AND RAIL

### Road freight to be curbed

exemption of public transport from the 10 per cent. cut supplies should mean that bus, and underground services are unaffected. But the non of freight by road will be curbed.

Featherstone, director of the Freight Transport Association, said a lot of fuel is wasted observing urban traffic restrictions.

How petrol can be saved. The Automobile Association last night issued figures to show how petrol can be saved by a car travelling at 50 mph instead of 70 mph—the average saving is 10.7 mpg.

Car  
Mini 850 cc ..... 44.5 27.0 12.4  
Vauxhall Viva 1100 ..... 42.4 25.5 12.9  
Ford Escort 1100 ..... 41.6 26.0 15.6  
Ford Capri 1300 ..... 36.3 26.0 10.3  
VW 1300 ..... 36.6 25.5 7.7  
Triumph 1500 ..... 34.3 25.3 9.0  
Hillman Avenger 1500 ..... 35.6 26.8 9.0  
Austin Maxi 1750 ..... 37.0 26.3 10.7  
BMW 2000 ..... 39.2 28.0 11.2  
Triumph 2000 ..... 37.7 28.5 8.9  
Rover 2000 ..... 37.7 30.0 7.7  
Jaguar XJ 4250 ..... 22.0 19.5 2.3

possibility of easing some restrictions on the operation of commercial vehicles to economy in fuel usage raised by Mr. Hugh also pointed out that heavy

lorries, which are at present limited to a 32-ton gross weight, could carry more freight for much the same fuel consumption if they were permitted to operate to their full design weight during the period of oil restrictions.

Although British Rail is exempt from the cut-back in oil deliveries, the scope for transferring road freight traffic to British Rail is limited.

### SHIPPING

THE British shipping industry will be seeking to-day—as a matter of urgency—the clarification of the Government's 10 per cent. cutback provisions so far as it applies to fuel (bunker) supplies to U.K. ships, said the U.K. Chamber of Shipping.

Before the Government announcement, it had already been arranged that a delegation from the U.K. Chamber of Shipping would see officials of the Department of Trade and Industry tomorrow to express its concerns over the probability of a shortage of oil fuel (bunkers) to operate its ships.

This arrangement followed a meeting in London yesterday of representative shipowners, called by the Chamber of Shipping.

## EMICALS

### Early effect on customers

UNION chemical and allied with an output of 12,000 tons a year, will be the most affected.

Industry, as a primary or to manufacturers and users at large, has been in the list of priority which could help to alleviate the situation at a later date. Nevertheless the effects of the cut could be felt by users within a few weeks as chemical companies usually only limited reserves in industry warned that it

was not given early concessions, the reduction in feedstock could have a disproportionate effect on some of its downstream customers, particularly manufacturers reliant on small quantities of specialised products, such as some plastics.

The chemical industry uses about 7.5 per cent. of total deliveries of oil to the U.K., some 6m. tons as feedstock and 3m. tons for fuel. Companies have already been walking a tightrope on the supply situation with some materials like naphtha described as "on a knife edge."

for general of the Chemical Industries Association, said that as a primary industry, the petrochemicals sector should be the last to face cuts in feedstock.

Major companies like Imperial Chemical Industries, Shell Chemicals and BP Chemicals said they were uncertain about the Government's way of implementing the rationing or of the effect. One point that some companies wanted clarified was the rationing scheme for concerns like BP and Shell which had varied interests in motor, heating and petrochemicals, for example.

## SS

glass industry is immediately affected by the cut in supplies and, because of the uses used in manufacture, a 10 per cent. cut in the oil available could result in up to 30 per cent. in output. has produced what United described last night as "a rare" for the glass manufacturers, who have been an over-represented in demand this year.

It is now inevitable that there will be a shortage of for drinks at Christmas.

expect a 10 per cent. cut to have a serious effect on our operations.

The glass container industry is not as reliant on oil as it was three or four years ago because the Rockware Group, which like United Glass has around a third of the market, is firing the furnaces at its new plant at Wheatley, near Doncaster, by natural gas.

But the Glass Manufacturers' Federation estimates that up to 55 per cent. of the glass container industry uses oil for firing its furnaces.

### STEEL

The British Steel Corporation, which is already being heavily

criticised for not meeting the booming demand for steel, accepts that the 10 per cent. cutback will hit production unless priority treatment is applied quickly.

BSC uses well over 3.6m. tonnes of oil a year and the loss of at least 360,000 tonnes cannot be completely absorbed by changing processes.

Oil is used for a variety of purposes in steelmaking but the principal ones are for fuel oil injection into blast furnaces, soaking pits, and reheating furnaces.

The effects of the oil supply reduction can be mitigated to some extent by changing over to gas, but this will be of only limited help.

## U.K. consumption of oil products (m. tons)

	Burning oil	Vaporising oil	Gas/Diesel Fuel	Transport Fuel	Butane Propane	TOTAL
Agriculture	0.01	0.03	1.17	0.36		1.56 (1.41)
Iron and steel			0.46	4.42		4.96 (5.21)
Other industries	0.42		5.52	14.47	0.95	21.56 (20.72)
Railways	0.01		0.93	0.08		1.02 (1.08)
Road transport				20.82		20.82 (19.84)
Water transport				0.66	0.22	0.88 (0.99)
Air transport					4.01	4.01 (3.78)
Domestic	2.43		0.84	0.08	0.07	3.42 (2.96)
Public services	0.01		2.12	2.42		4.55 (4.48)
Miscellaneous			1.49	1.16		2.65 (2.54)
Gas making			0.06	0.12		0.17 (0.18)
Electricity			1.62	17.12		18.74 (14.82)
Water supply			0.63			0.63 (0.63)
Refining			0.12	6.72		6.84 (6.60)
TOTAL	2.88	0.03	15.03	47.36	1.08	61.21 (54.68)

## JOINT ANNOUNCEMENT

### NEDBANK LIMITED (NEDBANK)

### NEDFIN LIMITED (NEDFIN)

### SYFRETS AND UAL HOLDINGS LIMITED (SYFRUAL)

The Boards of Directors of Nedbank, Nedfin and Syfrual have reached agreement on the merger of the three groups of companies.

It is proposed, for technical reasons, that Syfrual will be the corporate vehicle to effect the merger and that its name will be changed to Nedbank and Syfrets-UAL Holdings Limited.

Shareholders in Nedbank will be offered 326 shares in Syfrual for every 100 shares held in Nedbank and shareholders in Nedfin (other than Nedbank) will be offered 135 shares in Syfrual for every 100 shares held in Nedfin. The Nedbank shareholding of 48,78 per cent in Nedfin will be acquired by Syfrual for cash.

In determining the basis of exchange of shares, account was taken of:

- (1) the projected consolidated profits after tax of Syfrual for the year ending 31st December, 1973 of R8 million, which are based on Syfrual's policy of full disclosure of profits;
- (2) the consolidated profits after tax of Nedbank for the year ended 30th September, 1973 of R12 million, which are based on the intended policy of fuller disclosure of profits of all companies within the Nedbank group, with the exception of the quoted Rhodesian subsidiary;
- (3) the projected attributable profits after tax of Nedfin for the year ending 31st December, 1973 of R1.8 million attaching to shares not held by Nedbank, which are based on the intended policy of fuller disclosure of profits of all companies within the Nedbank group, with the exception of the quoted Rhodesian subsidiary.

Assuming full acceptance of the offers by Nedbank and Nedfin shareholders and based on the above profits and present issued share capital of Syfrual, the total shares in issue will be:

	No. of Shares	%
Nedbank Shareholders	47 299 141	55.05
Syfrual Shareholders	31 532 761	36.70
Nedfin Shareholders	7 088 427	8.25
	85 920 329	100.00

The financial year-ends of Syfrual and Nedfin will be changed to 30th September, with retrospective effect from 30th September, 1973, and the merger will become effective from 1st October, 1973. Accordingly, Syfrual and Nedfin will shortly be declaring second interim dividends for the period ended 30th September, 1973 of 4.75 cents per share and 3.5 cents per share respectively. Shareholders in Nedbank and Nedfin accepting the offers will not qualify for the aforementioned Syfrual dividend.

It is expected that the merged group will earn profits after tax on a fuller disclosed basis for the financial year ending 30th September, 1974 of not less than R24 million. On the envisaged increased share capital of Syfrual of 85.9 million shares this will result in earnings per share of approximately 28 cents, out of which it is intended that dividends of approximately 14 cents per share will be paid.

Upon the successful outcome of the merger, the board of Syfrets and UAL Holdings Limited, renamed Nedbank and Syfrets-UAL Holdings Limited, will be reconstituted. Dr. Frans Cronje will be invited to be non-Executive Chairman and Mr. L. G. Abrahamse and Mr. G. S. Muller will be appointed Joint Executive Deputy Chairmen. Mr. Abrahamse will deputise as Chairman in Dr. Cronje's absence.

The proposed merger will lead to a financial group of considerable size. However, size alone is not the rationale of the merger. The three companies are complementary and it is foreseen that their combined growth will be even greater than if they continued to operate separately. Their competitive position in Southern Africa will be strengthened and an accelerated involvement in international banking is foreseen. Shareholders will benefit from the foregoing and the internal rationalisation that will be phased over the next eighteen months.

Clients, corporate, institutional and individual, will without interruption continue to enjoy personal, high quality service from the operating companies within the enlarged group in the commercial banking, merchant banking, general banking, trust and other fields.

The listings of Nedbank, Nedfin and Syfrual have been reinstated on The Johannesburg Stock Exchange.

The necessary documentation relating to the merger will be prepared and forwarded to the shareholders of Nedbank, Nedfin and Syfrual as soon as possible.

Johannesburg  
15th November, 1973



**NEDBANK**  
Nedbank Limited  
Registered Commercial Bank



The  
**Syfrets-UAL**  
Group

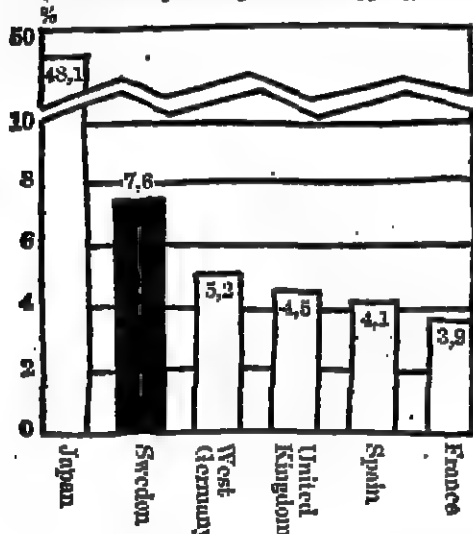


# Why the Swedes are such great shipbuilders.

## And how to profit by it.

Sweden. Not one of the bigger nations in this world. Situated way up north on the World Map. Inhabited by not more than 8 million people. And yet we're a strong number two among the world's shipbuilding nations. Outranked only by Japan (pop. 110,000,000).

Output (ship completions) from the world's leading shipbuilding nations 1972 in per cent (Source: Lloyd's Register of Shipping)

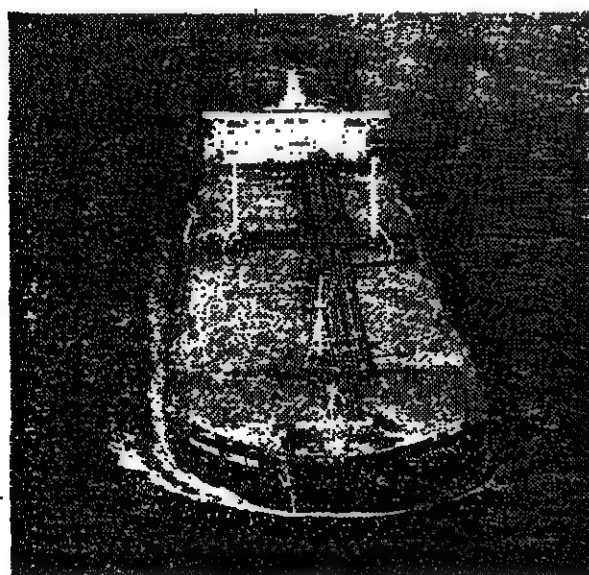


### How did that happen?

The answer is of course a compound of many factors, and if shipping is a part of your future you should know something about a few of them.

In the first place, nobody puts his money with us just for the sake of our big blue eyes. People bank on a reputation, a reputation earned through hard work, skill and reliability. We don't waste time. And we don't lose it. Strikes are a rarity in Sweden.

Every Swede knows that exports are the key to maintaining our standard of living, our educational system and our health service, all of which are generally considered to be among the best in the world. Among other things, they provide the skilled, reliable and determined people required to handle the complex work of building the technologically advanced ships of today.

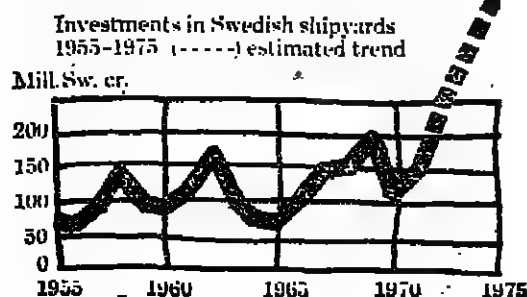


And of tomorrow. It's no accident that in terms of tons gross per employee Sweden has the highest production ratio in the shipbuilding world.

Output in tons gross per employee from Swedish yards 1972.

## 100 TONS GROSS PER EMPLOYEE.

The rate of investment in Swedish shipyards is very high, since we're fully aware of the need for keeping ahead technologically. Today we have two yards capable of handling ships of 500,000 tdw and other yards are soon to follow. Kockums in Malmö is erecting what will be the world's largest Goliath-crane, with a lifting capacity of 1,500 tons, in order to increase and streamline the yard's production capacity.



And we're very lucky to have access to high-quality steel and to some of the world's finest engines and engine components, manufactured by internationally known Swedish companies.

It all adds up to success. For us and for you. Last year, the Swedish shipyards delivered 48 ships with a total of 1.9 million tons gross. Ships of almost every description and dimension, from Very Large Crude Carriers to chemical tankers, Ro-Ro ships and tugboats. These ships were ordered by buyers from all over the world: from the U.K., Norway, India, France, the USA etc and (of course) from Sweden. We were also very busy repairing and rebuilding ships of all types, and we kept right on manufacturing ship engines.

The gross value of all this was more than 3.3 billion Swedish crowns (US \$ 800 million).

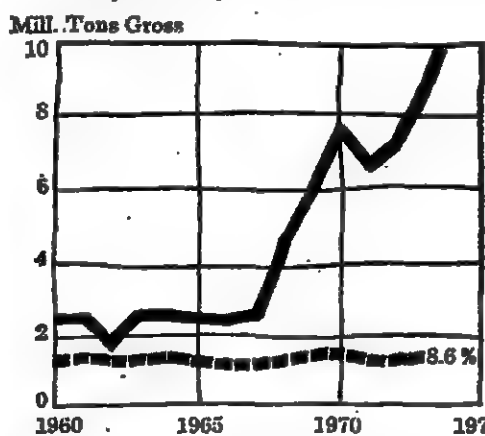
Member yards in the Swedish Shipbuilders' Association.

- |                         |                         |
|-------------------------|-------------------------|
| 1. Eriksberg            | 9. AB Lööse Varf        |
| 2. The Österviken Group | 10. Mölbo               |
| 3. Kockums              | 11. AB Nya Sjöbors Varf |
| 4. Uddevalla Varf AB    | 12. AB Oskarshamn Varf  |
| 5. Falkenbergs Varf AB  | 13. AB Älvsjö           |
| 6. AB Finnbo Varf       |                         |
| 7. Kalmar Varf AB       |                         |
| 8. Karlskronavarf AB    |                         |



As we go to press, Swedish shipyards have a backlog of orders totalling approximately 10 million tons gross. And if we read the signs correctly there are more to come.

Ships on order at Swedish yards 1960-1973 (September 1) (—) and in per cent of World Order Book (---) Approx. 80 per cent is for foreign customers.



Well, there it is. Reliability, determination, skill, smooth operations.

And now you know why you'll profit by investing your shipbuilding money in Sweden. Because you can be sure that your ship will be a high-quality product, made by people who know what quality means. And you can also be sure that you'll get a good price and a fair deal. The gift-edge on the deal is the fact that you'll have your ship on time. Most probably ahead of time.

There aren't very many of us, but we like to think that we know just about all there is to know about shipbuilding. And we've got the muscles to put our knowledge to work. We'll be happy to tell you more about shipbuilding in Sweden. Just use the coupon below. If you're in a hurry, you can ring us on the Hot Line, Sweden 031/23 43 70.

## The Swedish Shipbuilders' Association

To The Swedish Shipbuilders' Association  
P.O. Box 3-102 70 Gothenburg 2, Sweden

Yes, I'd like to know more about what Swedish shipbuilders can do.

I'm especially interested in ships of the following type(s) and dimension(s):

Name \_\_\_\_\_  
Company \_\_\_\_\_  
Address \_\_\_\_\_  
Country \_\_\_\_\_

## THE OIL CUT-BACK

# Arab oil States press Japan to break ties with Israel

BY RICHARD JOHNS

ARAB oil-producing States are aiming to pressure Japan into breaking off diplomatic relations with Israel through the new policy of selective sanctions against countries. At this stage the thinking is that the carrot of exemption from cutbacks in oil supplies should be offered to countries which are prepared to undertake positive actions in favour of the Arabs and against Israel.

A clear indication of this strategy was given by Sheikh Ahmed Zaki al-Yamani, Saudi Minister of Oil, when he said here to-day: "Those countries now affected by the reductions will be exempted from them on condition that they assist Arabs in a significant manner and force the Israelis to leave occupied Arab territory."

Japan could not help militarily but could break off relations with Israel, he explained. The implication was that this would give Japan the favoured nation status extended yesterday to members of the European Economic Community with the exception of Holland.

The feeling here is that Japan, with its heavy dependence on Arab oil, will be forced to give way and sever diplomatic links with Israel even though giving way like this would involve a considerable "loss of face".

In widening the oil weapon, Arab oil producing States currently do not appear to be calculating with any precision beyond next month when the first round of peace negotiations should, if all goes well, take place in Geneva.

In an interview here, Mr. Abdel Rachman Attia, Kuwaiti Minister of Finance and Oil, said a relaxation of cutbacks in production could be extended beyond December and the list of exemptions enlarged to include other countries. But this would be dependent on a successful outcome to next month's peace talks. Arab oil producers would be looking forward to a firm plan, setting dates for Israeli withdrawal from occupied Arab territory.

Arab Oil Ministers or their deputies are assembled here for a conference of the Organisation of Petroleum Exporting Countries. This is a routine semi-annual gathering but it was expected that there would be a discussion in the wider OPEC forum of oil taxation levels following the rise in realised prices which has inevitably resulted from the production cuts.

In fact, there will be no detailed discussion about the level of posted prices and their relationship to actual market values. Economic experts of the six Gulf countries immediately involved have by no means completed their work.

The Arabs and Iran have both shown concern to keep the price issue separate from the use of the "oil weapon".

According to one Minister, a special conference of OPEC will

probably be called in the next two months to review the prices issue. Then it will probably be a matter of OPEC approving a decision taken by the six Gulf States and giving it collective moral support for it.

But the Gulf countries want to get some kind of mutual agreement with the oil companies on a rational and "just" system for measuring actual market values.

The six Gulf producers have established the principle that in future the posted price (tax reference) for any crude oil will be at a level of 40 per cent above the market price—however, the latter is defined.

Arab oil States, meanwhile, have been given some latitude for interpreting and implementing yesterday's OPEC resolution.

However, most Arab oil exporters are expected to make their production cuts on a pro-rata basis, deducting the proportion of oil which normally would have been shipped to Common Market countries, less Holland, from the 5 per cent cut ordered. Thus, the decision to give special treatment to the European Community in response to its pro-Arab statement of November 6 should, overall, mean that more oil is available.

With Iraq refusing to join in the collective policy, the loss to total supplies should be more like 2.5 per cent.

VIENNA, Nov. 19.

## IN THE SUPREME COURT OF SOUTH AFRICA (WITWATERSRAND LOCAL DIVISION)

In the matter of the application of:—

## FEDERATED STORES LIMITED Applicant

(Incorporated in the Republic of South Africa)

NOTICE is given in terms of an Order dated 13 November 1973 in the above matter that the Supreme Court of South Africa (Witwatersrand Local Division) has ordered that the following meetings of shareholders of the abovementioned applicant, Federated Stores Limited ("the company"), be held on Wednesday, 12 December 1973, at the undermentioned times at The South African Breweries Limited, 2 Jan Smuts Avenue, Braamfontein, Johannesburg, under the chairmanship of Arthur Jacob Aaron (or failing him, another partner in the firm of Werksmans nominated by it for that purpose):—

1. A meeting of ordinary shareholders (other than The South African Breweries Limited ("SAB") and shareholders in which SAB is directly or indirectly interested) at 9.30 a.m. on the aforesaid date for the purpose of considering and, if deemed fit, approving, with or without modification, a scheme of arrangement between the company and its ordinary shareholders (other than SAB and shareholders in which SAB is directly or indirectly interested), which scheme of arrangement will be submitted to such meeting.
2. A meeting of 5% cumulative preference shareholders at 9.45 a.m. (or immediately after the conclusion of the meeting of the ordinary shareholders referred to in 1, whichever is the later time) for the purpose of considering and, if deemed fit, approving, with or without modification, a scheme of arrangement between the company and its 5% cumulative preference shareholders, which scheme of arrangement will be submitted to such meeting.
3. A meeting of 6% redeemable second cumulative preference shareholders at 10.00 a.m. (or immediately after the conclusion of the meeting of the 5% cumulative preference shareholders referred to in 2, whichever is the later time) for the purpose of considering and, if deemed fit, approving, with or without modification, a scheme of arrangement between the company and its 6% redeemable second cumulative preference shareholders, which scheme of arrangement will be submitted to such meeting.

Copies of the schemes of arrangement and explanatory statement in terms of section 103(1) of the Companies Act No. 46 of 1926 (as amended) explaining those schemes may be obtained on request from the company's registered office at 84 Eloff Street, Johannesburg, and its London transfer secretaries, Hill Samuel Registrars Limited, 6 Greencoat Place, London SW1P 1PL, and from The South African Breweries Limited, 2 Jan Smuts Avenue, Braamfontein, Johannesburg, during normal business hours.

Each ordinary shareholder (other than SAB and shareholders in which SAB is directly or indirectly interested), 5% cumulative preference shareholder, and 6% redeemable second cumulative preference shareholder, may attend and vote in person at the respective meetings, or may appoint any other person (who need not be a member of the company) as a proxy to attend and speak and vote in such shareholders' place. The required proxy form/s also may be obtained on request from the company's registered office, its London transfer secretaries, and The South African Breweries Limited. Each signed proxy form must be lodged with the company's transfer secretaries, Hill Samuel Registrars (S.A.) Limited, Ground Floor, The Corner House, 63 Fox Street, Johannesburg (PO Box 62318, Marshalltown, Transvaal), or (except in the case of 5% cumulative preference shareholders) Hill Samuel Registrars Limited, 6 Greencoat Place, London SW1P 1PL (or posted to be received) by not later than forty-eight hours before the holding of the meeting. The vote of the senior of joint holders (for that purpose seniority will be determined by the order in which the names of the joint holders stand in the company's share registers) who tender a vote in person or by proxy will be accepted to the exclusion of the other joint holders.

In terms of the abovementioned Order of Court, the chairman of the meetings will report the results thereof to the above Honourable Court on 18 December 1973.

The schemes of arrangement are subject to their being sanctioned by the above Honourable Court and to the conditions stated in clause 6 of each of the schemes.

A. J. BEHRMANN  
of WERKSMAANS  
8th and 7th Floors  
Avril Malan Building  
87 Commissioner Street  
Johannesburg

Johannesburg  
19 November, 1973.

## ELECTRICITY

## Power not to be hit immediately

THE oil cutback is expected to have little if any immediate effect on electricity generation. The Central Electricity Generating Board is planning to burn over 20 per cent less oil this winter than in the same period last year, and the South of Scotland Electricity Board said the cutback would not have any marked effect on the level of its electricity output.

Both the CEGB and the SSEB could be seriously affected by the oil cutback if the miners' dispute drags on long enough to reduce coal stocks to a minimum. Without Government intervention with the oil companies, they would be unable to run their oil plant as base load for very long.

## MOTORS

## Concern over components

THE motor industry appeared, last night, to be unperturbed by the likely impact of the 10 per cent cuts on either its sales or production activities. The one area which does provide some cause for concern is in the transport of components between plants and of cars and trucks for final delivery to dealers.

The industry, a heavy user of power in its foundries and transfer lines, has long ago recognised the dangers of reliance on a single fuel. Most companies have taken steps to spread their fuel usage between oil, gas, coal and electricity even to the extent that individual foundries often work on two or more fuels.

Transport is a more serious matter for the industry depends entirely upon a regular daily flow of a mass of components from outlying plants to maintain its momentum. But the motor industry is one of the biggest users of the railways—the hauls from Halewood to Dagenham, from Swindon to Longbridge and from Linwood to Coventry to take just three examples—are almost entirely rail-borne. Where parts do arrive by truck or where cars are delivered by road, the industry conceded that there might be problems.

## A new assurance company is only as good as the people who run it.

Very true! Also important, however, is the backing in terms of finance and investment skill. The new Charterhouse Japhet Life Assurance Company has both.

It has the security of a £60,000,000 public-owned company. Plus the financial expertise of merchant bankers, Charterhouse Japhet. One of the city's oldest and most respected merchant banks.

Following the current success of the annuities we are writing, we have formed an organisation designed to operate on a much wider platform within the assurance market.

This pedigree does not mean that Charterhouse Japhet Life Assurance Company is yet another impersonal, formal assurance company, however. In fact, it consists of a group of very experienced individuals skilled in imaginative investment techniques. People whom you'll be hearing from in the near future.

This is what General Manager Derek Stevenson and Chairman Christopher Taylor-Young, shown opposite, have to say:

"Insurance used to be about mortality tables; now it's more to do with investment performance. To help achieve our investment performance we have at our fingertips the resource of an international industrial and financial organization."



**CHARTERHOUSE JAPHET LIFE ASSURANCE COMPANY LIMITED**

1 Paternoster Row, St. Pauls, London EC4P 4HP. Telephone: 01-248 3999.

هكذا كانت الامم



## FILM AND VIDEO

BY JOHN CHITTOCK

## The City hides its face with a grin

AS ABOUT the City of London as a financial and commercial centre show what one might expect: a national institution steeped in history and tradition, caught up in change, struggling desperately to be with it, often succeeding, but at other times finding the strain too much.

The films of the London Stock Exchange have displayed this more obviously than any other, beginning with *My Word is My Bond*—made 15 years ago a time when the City was finding it difficult to explain itself to a public that was finding a broader interest in company affairs.

At about this time, Barclay's Bank was opening the eyes of the City to the City to an appalled wealth of new customers—young people—and its brilliant cinema commercials had a bull's eye.

Alive to its new challenge the City Exchange sponsored *My-Go-Round*, a kind of *My Word is My Bond*—but on London's South Bank and in, like British musicals, it imitates the better American product, very fast.

The latest Stock Exchange film, a complete remake of *My Word is My Bond*, puts the City fully back. Its style avoids the attempt to break new ground and even the producer, the same man who made the *My-Go-Round*, has appeared in similar trends have appeared in films made by the major banks, Barclays and Midland.

Barclays and Midland have followed a trail in film sponsorship, Stanmore and Harefield, echoing their interest in the City's customer groups such as farmers and students, while it makes for excellent viewing.



Giant beams and an office full of bleating sheep feature in this new film from Barclays Bank, *Jack's All Right*.

National Provincial, Westminister and Lloyds were almost totally inactive. Come the marriage which formed NatWest, however, and films have started to appear—at first uncertain but now claiming attention.

The latest from NatWest, *How Would You Like It?*, deals with the behaviour of cashiers towards customers (a theme once tackled very well by *Barclay's*). This uses professional actors and actresses as well as staff and real customers at the bank. It is a film made in the City, and it makes for excellent viewing.

As an example of professional Institute underline this skill in its own new film *The Magic of Averages*. This is a recruitment film, demonstrating through a motorway construction contract some of the many careers which insurance involves. Again produced to portray, the City has its own insurance employees on the job; and curiously has succeeded more often than most sponsors in this hazardous area of film-making.

Such success runs counter to the expectations about sponsored films that adopt a dramatised style, especially when humour is added. When I heard that the latest film from Barclays Bank, *Jack's All Right*, told the modernised fairy tale of a farming customer who grows a giant runner bean—and how the Bank helps him to exploit it—I muttered polite interest and kept my eyes down. When I saw the film a few weeks later, I knew that banking would never be quite the same again. This zany film is both funny and informative, and even succeeds in making a point by filling a bank manager's office with real bleating sheep.

More films from the City and its institutions are on the way. Pending is a premier of the new Capital City, and both the Bank of England and the London Stock Exchange have further films in preparation. The Financial Times, following the recent release of *How to do Business with the French*, is continuing the series—with the Japanese and Germans next in line for scrutiny of their business styles.

The main criticism that can be made is that the City has assiduously avoided controversial films and has yet to make a film about itself that penetrates intelligently beneath the surface. By making dramatised films, humorous episodes, swinging documentaries, the City is still apparently unwilling to face its true self on film.

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## SOCIETES REUNIES D'ENERGIE DU BASSIN DE L'ESCAUT

## EBES

Société Anonyme

## NOTICE TO SHAREHOLDERS

Shareholders of the Company have approved the issue of 1,330,000 new shares of no par value. Holders of existing shares are to have the right to subscribe to new shares, in the proportion of ONE new share for every SIX shares held, at a price of B.Fr. 2,000 per new share.

The new shares will rank *pari passu* in all respects with existing shares, except that they will be entitled to participate in dividends only as from 1st December, 1973.

Application will be made to the Council of The Stock Exchange, London, for the new shares to be admitted to the Official List.

The following arrangements have been made whereby United Kingdom shareholders may obtain the new shares to which they are entitled:—

Application forms and copies of the Company's notice relative to the issue may be obtained from Banque Belge Limited, 4, Bishopsgate, London, EC2N 4AD.

Coupon No. 26 may be lodged with Banque Belge Limited, between 20th November and 10th December 1973 inclusive, accompanied by application forms duly completed. The subscription price of B.Fr. 2,000 (or sterling equivalent) is payable in full on subscription. In the case of a fractional entitlement, the fractions may be sold or complementary fractions purchased at the request of the shareholder.

## PAHANG CONSOLIDATED CO.

The 67th annual general meeting of The Pahang Consolidated Company, Limited, was held on November 17 in Kuala Lumpur.

The following are extracts from the circulated statement of the Chairman, Mr. J. J. Raper, B.A. (Cantab.), for the year ended 31st July, 1973:

Your Company was granted a change of residence from England to Malaysia on 1st February, 1973.

The main points of the year under review were:— Though ore reserves decreased by 57,017 metric tons, the average grade increased resulting in the contained tons of concentrate increasing by 369.32 metric tons to 11,709.36 metric tons.

Costs held reasonably well during the year considering the sharp increases in the prices of spares and machinery.

Profit for the year under review including exceptional items but before taxation amounted to \$9,303,584 (\$1,661,468) compared to \$3,698,162 (\$543,027) in 1972.

Your Board has proposed for 1973 the same final Ordinary Dividend as last year, 17%. This makes a total dividend on the ordinary Capital of 30% for the year.

The Pahang Consolidated Company Limited entered into an agreement with Jardine Wagh Sdn. Bhd. and Jardine Wagh Properties Sdn. Bhd. for the sale of the whole of the issued Share Capital of its wholly-owned subsidiary, the Kuala Lumpur Rubber Estates Limited for a cash consideration of approximately M\$8,500,000. The proceeds of this sale will be applied to expanding the tin mining activities of Pahang. Initially, M\$700,000 will be used in sinking the Gekak Shaft and M\$1,100,000 for the new Heavy Media Separation Plant at the Mill, which should enable throughput to increase by one 25% when fully operational.

## Footwear Industry Investments Limited

## RECORD SALES AND PROFIT IN FIRST YEAR AS PUBLIC COMPANY

	1973	1972
Turnover	4,388,075	2,988,285
Profit before Tax	419,308	202,312
Profit after Tax	237,016	123,701
Earnings per Share	7.4p	3.9p

From the Statement by the Chairman, Mr. M. Sumray:

"The Directors are very confident of the future progress of the Company."

## Arbuthnot Latham

## INTERIM REPORT

The unaudited profit of Arbuthnot Latham Holdings Limited, after tax, for the first half of the year to 30th September 1973 shows an increase compared with last year.

Until the effects of the Government's recent measures have begun to work through the economy it will be too early to predict the outcome of the full year but the Directors state that good progress is being made.

An interim dividend of 2.695 per cent. has been declared on the fully paid ordinary shares. After taking account of the imputation tax credit the interim dividend amounts to 3.85 per cent, the same as last year.

J. F. Prideaux,  
Chairman.

9th November 1973.

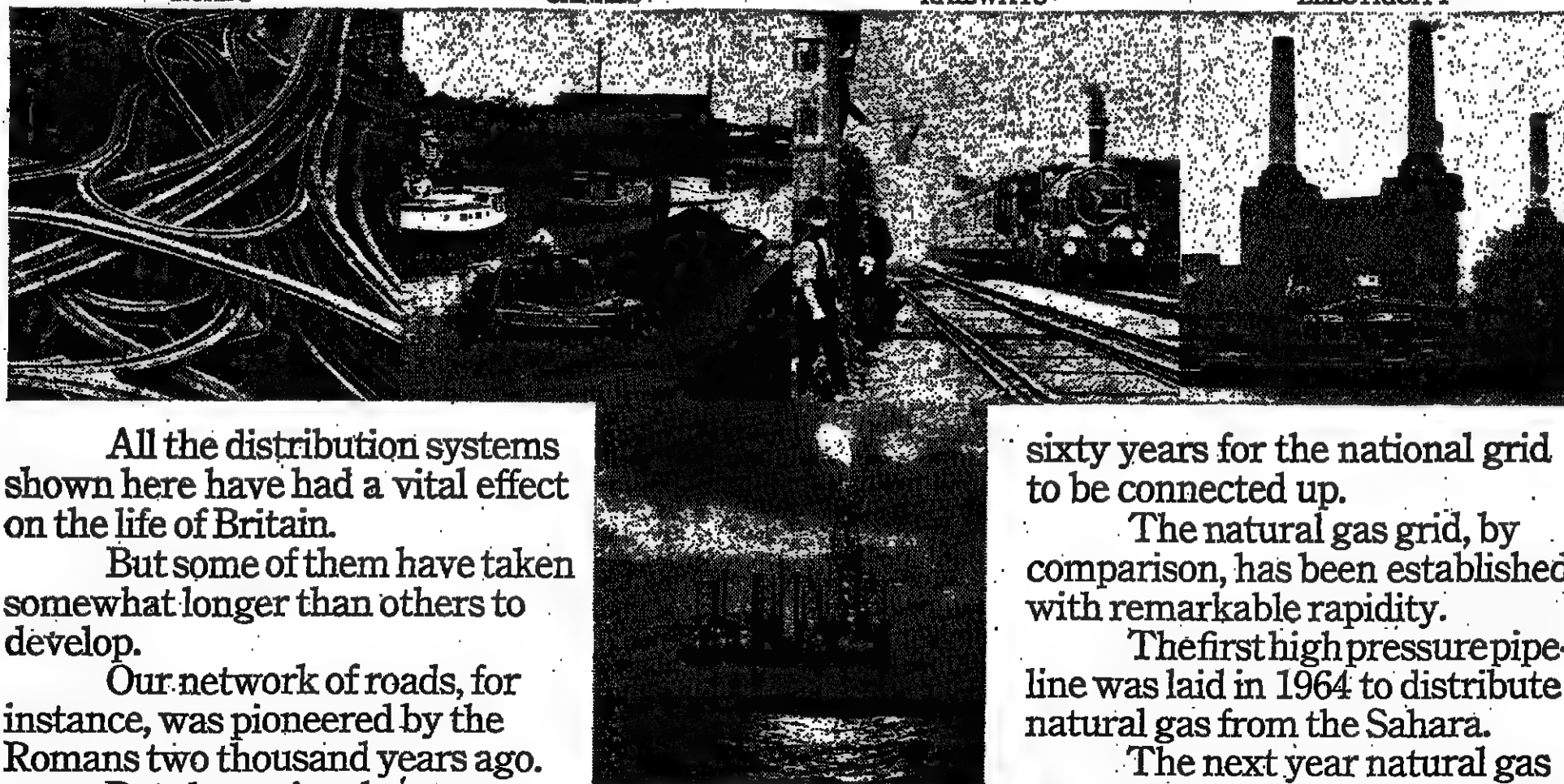
## WHICH NETWORK HAD THE FASTEST GROWTH AND THE LEAST TO SHOW FOR IT?

ROADS

CANALS

RAILWAYS

ELECTRICITY



All the distribution systems shown here have had a vital effect on the life of Britain.

But some of them have taken somewhat longer than others to develop.

Our network of roads, for instance, was pioneered by the Romans two thousand years ago.

But the national motorway system is not yet complete.

The Romans, too, built our first canal, the Fossdyke, way back in AD 65.

But it took a further one thousand, seven hundred and seventy years to complete the waterways system.

The march of progress of the railways was somewhat swifter.

In 1830 the Liverpool and Manchester Railway was opened with a fanfare of trumpets by the Duke of Wellington.

Yet in spite of the 'railway mania' of the last century it took another sixty-two years to achieve a uniform gauge; a further thirty years to Amalgamation and a further twenty-five years before rolling stock could travel everywhere.

One hundred and seventeen years in all. The Thames Embankment was lit by electricity in 1898. But it took a further

sixty years for the national grid to be connected up.

The natural gas grid, by comparison, has been established with remarkable rapidity.

The first high pressure pipeline was laid in 1964 to distribute natural gas from the Sahara.

The next year natural gas was discovered in the North Sea.

Now, less than ten years

later, two thousand miles of high pressure transmission mains have already been laid bringing the benefits of natural gas to the homes and industries of Britain.

The experience gained in creating this network will be invaluable in the massive operation now required to bring the vast new reserves secured from the Frigg field into the energy pattern of Britain.

This alone will produce as much gas energy as was distributed by the old gas industry before going natural.

But once again there will be little to show for it. Because gas goes underground and causes no pollution.

That's progress.

BRITISH GAS  
Our Vital Industry



## Brooke Bond Liebig Expectations exceeded

Principal features:	1972	1973
Sales	£263 million	£266 million
Group profit before tax	£14.3 million	£14.3 million
Net profit before extraordinary items	£19.3 million	£19.3 million
Extraordinary items	£10.1 million	£7.4 million
Profit attributable to shareholders	£29.4 million	£26.7 million
Capital employed	£147 million	£126 million

### Sir Humphrey Prideaux reports:

World sales for the year to 30th June, 1973 increased by 17% over last year to £266m. Profit before tax for the year—excluding abnormal profits—increased by a slightly smaller percentage from £14.3m. to £14.3m.

Group profit before tax at £19.3m. included £2.7m. arising from a change in the basis of valuing the group's cattle herds. Profit attributable to shareholders was increased by the inclusion of extraordinary items amounting to £9.9m. mainly from the sale of properties and investments, ignoring the effect of the cattle revaluation, net profit before extraordinary items was up by £29.4m.

In the United Kingdom the year under review has been one of unsurpassed difficulty for food manufacturers, confronted simultaneously with rising world commodity prices, accelerating inflation and stringent government price controls.

Against this adverse background, Brooke Bond Oxo were successful in increasing sales turnover with significant reductions in controllable costs and promotional expenditure—a considerable achievement.

The first year of operation of the Meat Division has contributed a substantial profit in the UK.

Good profits from Belgium, Germany and Italy were offset by development losses in France and Spain.

Our Red Rose tea in Canada, already the leader in a highly competitive market, has further improved its position.

In Argentina and Paraguay our ranches enjoyed an excellent year.

Brooke Bond India overcame dull trading conditions arising from the severe drought. The company scored increases in both sales volume and profits. Our tea estates in Asia enjoyed mixed fortunes with overall results considerably lower than in the previous year.

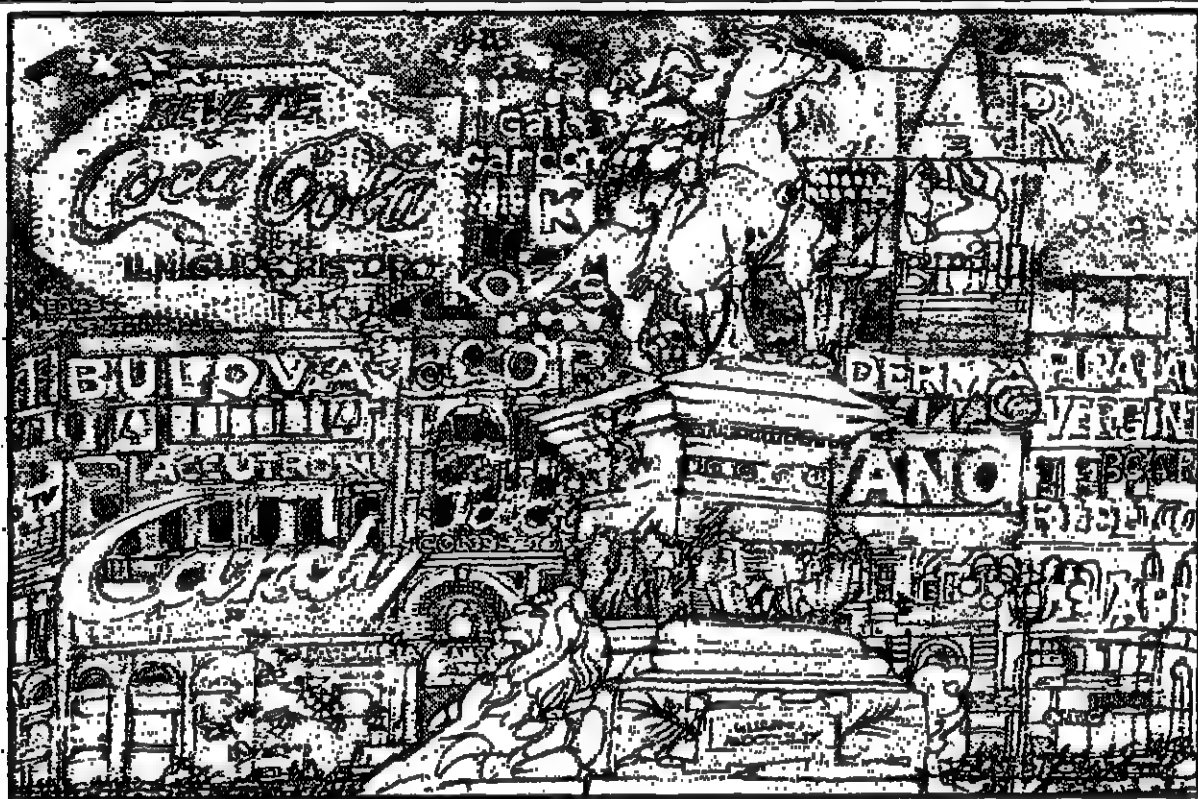
Once again, Brooke Bond Liebig Kenya achieved record profits thanks to increased tea production and local sales.

The Board recommends an increased final dividend of 5.85p net, making a total of 8.45p net for the year compared with a net equivalent of 8.05p under the previous taxation system for 1972.

### Brooke Bond Liebig Ltd

Thames House, Queen Street Place, London, EC4R 1DH.

Copies of the accounts including the chairman's statement can be obtained from the secretary.



## In Milan, the principal art is the art of doing business. Naturally, Continental Bank is there.

The arts flourishing in Italy's major cities have been perfected over the ages. There is the fine glass of Venice. The beautiful and elegant marble of Rome. The leather artistry of Florence.

But in Milan, additional skills have been practiced and perfected. The skills of industrial technology. The skills of steel making, automobile building and chemical processing.

And the skills of making money work.

So today, Milan is Italy's most important industrial and financial center. Moreover, money market and foreign exchange activities are almost exclusively centered in Milan, as is Italy's major stock exchange.

But while Milan has a firm hold on Italian business, it is no less attractive to foreign interests. Of the 700 American companies holding investments in Italy, nearly 400 are in Milan. And of European firms with Italian subsidiaries, 41 per cent are there.

Of course, Continental is there, too. At Via Monte Napoleone 27.

Our full-service branch in Milan is an important link in Continental's growing six-continent banking network. A network which allows us to meet the needs of multinational corporations everywhere. And to meet them with dispatch, efficiency and flexibility you might not expect from a bank as large as Continental.

Talk to Continental's people in Milan. Or in Zurich, Frankfurt, Singapore, Sao Paulo, Taiwan. Or in any financial community of the world where things are happening.

In London, Continental Bank is at:

City Branch: 58/60 Moorgate, London, EC2R 6HD. Tel.: 01-628-6099;  
West End Branch: 47 Berkeley Square, London, W1X 5DB. Tel.: 01-493-9261

**CONTINENTAL BANK**

Continental Illinois National Bank and Trust Company of Chicago, Chicago, Illinois 60693. Continental Bank International, 11 Liberty Plaza, New York, N.Y. 10006. Continental Bank International (Pacific), 515 S. Flower St., Los Angeles, Calif. 90071. Also: Argentina, Australia, Austria, Bahamas, Belgium, Brazil, Colombia, France, Great Britain, Greece, Indonesia, Italy, Japan, Kenya, Lebanon, Mexico, Morocco, Netherlands, Republic of the Philippines, Singapore, Spain, Switzerland, Taiwan, Thailand, Venezuela, West Germany.

## WINE

# The vintage in Germany

BY EDMUND PENNING-ROWSELL

A VISIT to the German wine areas always has its particular charms. Most of the vineyards are picturesquely sited in a way that many of the French vineyards are not; and the Moselle valley is lovely. Then the wine villages are usually very agreeable and unspoilt but for the articulated juggernauts which block and edge their way along the winding streets more suited as a setting for the second set of Die Meistersinger than for the passage of petrol-belching Fafners.

Finally, and not least attractive in the west where one can drink a considerable amount of the local wine, low in alcohol, without having any consequences to face later on; though I would not say the same about the cloudy just-fermented grape juice. Deceptively sweet but treacherously acid, which the locals down in tumbledowns.

### Attractive

Such visits are of course particularly attractive at vintage time, when the wine villages can be recognised "on the nose" by the odour of fermentation and yeast which pervades them. The Kellerweg in Guntersblum on the Rheinhessen Rheinfrost, with almost every house in this narrow street open to reveal a wine press in operation, is a sight to be sniffed as well as seen.

This year, too, the hot dry summer led to a display of autumn colouring in the vineyards that was particularly brilliant. My journey to the Rhine and Moselle was made in company with members of the firm of Sichel now happily reunited in Bordeaux and in Germany, and well-known for their Blue Nun liebfraumilch; though it was tacitly recognised that my taste in German wines is both secular and non-lactic.

However, it is true that to wine firm these days can live six weeks, with the rotating

presses running to capacity their two-to-three-hour cycles of juice extraction, and the growers being obliged to programme their picking and deliveries to fit in with the press-house. Then the co-operative at Wachenheim, one of the three largest in the Palatinate, was expecting to produce 40,000 hl. of wine from 300 members' vines, instead of the average of 30,000 hl.

Everywhere the grapes looked very healthy, although in Germany they hope for some of the noble rot which provides the luscious types. This, however, depends on heat combined with humidity, and there has not been much of this combination in the vital autumn weeks, although one iron-nerved grower in Piesport refused to start picking until November 1 in the confident hope of producing the finer qualities.

Generally, though, there is little expectation of being able to make beerenauslese and trockenbeerenauslese wines. Nor much spätzle and still less anise for in a vitated vintage like 1973 it is obviously better to try to produce good spätzle than to remove the rather thin layer of higher-sugar-content wines for making a tiny quantity of anise.

In any case, these higher quality wines are the former Naturwein or Naturreis is now called Kabinett—are, under the 1971 German wine law, far less easily classified at the whim of the producer than they were; they must now conform to minimum must-weights (sugar-content) on the oechsle scale which measures specific gravity. These minima are subject to annual adjustments according to the vintage, and vary from region to region, but this year in the Rheinhessen the minimum oechsle reading for a spätzle is 90, although pure riesling wines may be only 85. These minima are higher in the Palatinate, but much lower—75 in the Moselle, where an anisele may be 83, compared with 92 in the Rheinhessen and Palatinate and 99 in the Rheingau.

In the exceptional vintage of 1971 a very high proportion of superior quality wines was made, the reverse is the case this year, which might well be summed up as a good liebfraumilch vintage, with plenty of reasonable quality wine at moderate prices. Here in Britain, owing to the devaluation and sterling depreciation, German wines have increased considerably in price, but in contrast to French wine prices, in Germany they have remained remarkably constant. At the Nierstein co-operative mentioned above the average price per litre has only risen in the five years from DM2.95 to DM3.35. This year the opening prices will generally be lower than last year, although the quality should be higher.

As inflation is no less a fact of life in Germany than elsewhere, it may be wondered how this stability has been achieved. The answer is that this is the result of higher yields, the reward of greater technical proficiency. Also, under the new wine law, the limits of areas permitted to label their wines as, say, Nierstein or Berncastel, have been reduced so that the growers in the more restricted districts have been able to secure higher prices. New grape varieties, secured by crossing, and both early-maturing and large-cropping, have also made a contribution to higher yields.

### Big yields

That the crop is enormous may be gauged from the fact that the prolific Müller-Thurgau grape, which normally yields 50-80 hl. per hectare, this year has produced up to 200 hl.—a figure likely to cause the French authorities with their usual 30-50 hl. restriction for appellation contrôlée table wines to swoon away, muttering "water, water." For the minimum alcoholic strength for the Aner German wines is only 7 degrees, compared with upwards of 10 in France. This is but one of the many differences in the French and German approach to the control of wine production; and not all have been ironed out, "harmonised" or even finally allowed to vary.



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## American Jeep aims to win slice of U.K. Land-Rover sales

BY CHRISTIAN TYLER

THE American Jeep is to be marketed in volume in Britain next month for the first time in its 30-year history. American Motors, which bought the former Willys concern from Kaiser Industries in 1969, is clearly set for a serious challenge to the Land-Rover in its home market.

American Motors aims to sell some 700 units in the U.K. during the first year, with sales building up to a target of 5,000 a year by the end of 1977. Seventeen U.K. distributors with 88 sales outlets between them have been engaged—some of them former Land-Rover franchisees—to sell the two Jeep models which will be imported in right-hand drive versions. The two models are the CJ-5 and a long wheel-base CJ-6. A limited number of left-hand drive Wagoneers—Jeep's nearest competitor to British Leyland's Range Rover—will also be available.

### Sales push

Jeeps are priced from £1,372 for the standard soft-top, with a number of cab and other options. The Wagoneer will retail at just under £4,000. The Land-Rover, by comparison, starts at £1,300 and the Range Rover at £2,500.

Mr. Don Bennett, head of AMC's British operation, said his company intended to use Britain as a "fulcrum" for a sales push to the EEC countries. He revealed that the company was looking at sites for a British plant that would assemble Jeeps from knock-down parts. It was hoped to build the plant in the next few years. The company is giving no hint where it would be located, but it is believed to be in the EEC through the British plant could reach 10,000 a year in four or five years' time. Mr. Bennett said.

American Motors is also planning to step up European sales of its Grenlin and Hornet sub-compacts (small cars), which the U.S. have contributed to the company's recovery in recent years, and which it expects to sell in even greater numbers because of the fuel shortage.

AMC's total car output in the first half of the year was 33 per cent up on the first half of 1972, and demand was still not being met, the company claims.

**Waiting lists**

Increased output has also been a factor in the decision to bring the Jeep to Britain in quantity. Furthermore the Jeep arrives a time of long waiting lists for the Land-Rover.

AMC is clearly hoping that it will give a useful initial n of sales while the British market is being broken in.

The Jeep already competes with Land-Rover world-wide, particularly in the under-developed countries. In Britain it may a customer loyalty to the high successful Land-Rover brand.

On the other hand, the Jeep is not exactly unknown in the U.K. itself, with a reputation that extends back to the Second World War.

## Toiletries 'must look to export markets'

BY RAY DAFNEY

THE TOILETRIES sector of the U.K. chemical industry must look to the export market for any appreciable growth in sales, according to a survey published yesterday.

Annual U.K. trade turnover in toilet preparations is around £40m. But, says the Economic Intelligence Unit, which prepared the survey, with limited growth in British sales, companies must look overseas "to provide the jam on the bread."

"There appears to be at present a very good marketing base from which to achieve this successfully," says the Unit in the latest edition of Chemistry and Industry, the journal of the Society of Chemical Industry.

### Major constraint

The toiletries sector of the industry employs almost 6 per cent of the total industry labour force. The limited size of the domestic market was seen as a major constraint, however.

The high level of promotion expenditure in past years had had only a degree of success in building up sales. It had been more effective in reallocation demand among competing brands.

While the toiletries sector had

grown more slowly than chemicals industry as a whole, prices had grown at a faster rate than many other sectors.

Between 1968 and 1972 home market prices of toilet preparations rose by an average annual rate of 6.2 per cent, compared with chemicals (4.5 per cent) and manufacturing industry general (5.5 per cent).

Statistics show that exports have already partly compensated for the lack of growth in domestic demand. Last year, for instance, the toiletries sector exported £28.2m. worth of goods against 29m. worth imported.

**U.K. OUTPUT OF TOILET PREPARATIONS (1963=100)**

	Toilet preparations	All chemicals	All manufacturing
1965	100	117	117
1966	117	123	123
1967	122	130	130
1968	121	140	140
1969	119	149	149
1970	123	158	158
1971	131	166	166
1972	138	169	169
(Jan-Mar.)	134	178	178

Source: DTI

**TOILET PREPARATIONS HOME MARKET PRICES (1963=100)**

	Toilet Prep.	All chemicals	All Manufactu
1968	121.2	105.4	115.3
1969	124.3	106.4	119.8
1970	131.1	111.2	127.7
1971	141.9	120.2	137.7
1972	154.7	126.3	145.0
1973	160.4	130.0	151.1

(Jan-Mar.) Source: DTI

## Big rise in Italian wool production

BY KEN GOFTON

ITALY, WHICH has the largest No. 287; Wool Industry Bureau wool textile industry in Western of Statistics, 5th Floor, L.L. Europe, also appears to have Bank Chambers, Huston benefited most from the recent Bradford 1; 42p.

According to figures just published by the U.K.'s Wool Industry Bureau of Statistics in Bradford, consumption of all fibres, including synthetics, by the Italian wool sector reached 181.8m. kilos in the first six months of this year—an increase of 18 per cent on the same period of 1972.

By comparison, the British wool industry's consumption of fibres rose by less than 6 per cent, to 148.7m. kilos, and French consumption declined by just over 2 per cent, to 149.8m. kilos. Italy, the U.K. and France are the leading producers of wool textiles within the EEC, by a considerable margin.

The bureau also reports that in January-June this year, Italy's output of worsted and woollen yarns rose by about 18.5 per cent, to 167.8m. kilos, and of woven fabrics and blankets by about 17.5 per cent, to 73.2m. kilos.

U.K. yarn production increased from 114.1m. kilos to 122.8m. kilos, a rise of just over 6 per cent, with woven fabrics and blankets up about 12 per cent, to 41m. kilos. The French picture was more or less static, with yarn output down about 1 per cent, to 83.5m. kilos, and fabric production up about 1 per cent, to 36.3m. kilos.

Figures for the whole of the EEC wool textile industry for January-June this year are: consumption of all fibres, 554m. kilos (up nearly 5.5 per cent); production of worsted and woollen yarn, 501.6m. kilos (up 5.5 per cent); and production of woven fabrics and blankets, 195m. kilos (up nearly 9 per cent).

Monthly Bulletin of Statistics,



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مكتبة الأمل



# Stock shortage problem faces grocery trade

ELINOR GOODMAN

SEWIVES COULD face shortages of grocery products this winter. A culmination of factors including shortages of packaging, labour, and some crops, means that the stock on in the grocery trade is at its lowest for many years.

The situation, already serious, is aggravated by the fact that several supermarket groups in the middle of expansion programmes are now tied up in stock, could be profitably used for developments.

For instance, says a Fare, for instance, says a stock level is 15 per cent below last year's.

is thinking of reducing its still further, because of the used cost of money.

called

large food manufacturer, to have only half the on its list available for

dictate sale, while many re have had to cancel pre-

mas promotions because of t supplies.

week, Mr. Jim McCarroll,

president of the Wholesale Grocers' Federation, described the position as the "worst since the war". His opinion is supported by several large retailers, including Tesco, though some supermarkets are playing down the situation rather than encourage what they see as "panic" buying.

According to the Food Manufacturers' Federation, the situation is "patchy". Like Fine Fare, the FMF says this means that the particular brand she wants, though she will be able to buy an alternative brand.

This situation is demonstrated by Cadbury Foods, which in the last few months has had to delete several major brands, like drinking chocolate and Bournvita, for several weeks.

They are now back on the list as packaging materials became available. Many retailers are reporting temporary difficulties in getting supplies of such big selling products as breakfast cereals, tea bags and baked beans. Tesco says there are some shortages in almost every major product category.

The glass shortage, for ex-

ample, means that almost all mineral drinks are in limited supply. As a result, Tesco, like most other retailers, has had to drop its usual pre-Christmas promotion. The glass shortage has also led to longer delivery times on beer, jams and coffee.

## Pet foods

This shortage, together with scarcity of other packaging materials like tin plate for cans, has meant that Cadbury Foods is now having to wait an average of 20 weeks for essential packaging materials that used to be delivered in six weeks.

Many retailers report shortages of pet foods, where sales are well up on last year. Spillers, one of the two major pet food manufacturers, blames this on two factors: the rundown of stocks before the introduction of VAT, and the shortage of cardboard.

Lack of cardboard means that the company is running out of the outer wrappers in which the cans are sent to the supermarkets. According to Fine Fare a cardboard box now takes 28 weeks to be delivered instead of the normal three or four.

Some supermarkets claim that Britain's entry to the Common Market has also had an indirect effect on the out-of-stock situation. Supplies of tinned and dried fruit from Commonwealth countries are being diverted to new markets outside the EEC.



A \$5m. contract to begin physical work on the Channel Tunnel from the British end was signed in London yesterday.

The ceremony followed last Saturday's signing in London by British and French political leaders of a treaty and commercial agreements authorising work on the next phase of the tunnel.

The new project, which could begin within a week, is the first work on the Channel Tunnel since boring of a pilot tunnel was halted in 1873.

The contract was signed by Lord Haxcourt (above, left), chairman of the British Channel Tunnel Company, and Mr. David Balfour, chairman of Cross Channel Contractors, a consortium linking the Guy F. Atkinson Company of San Francisco and three British concerns — Balfour Beatty, Edmund Nuttall and Taylor Woodrow Construction.

Covering preparatory and trial works, the contract includes a 2-km. pilot tunnel which is expected to be completed in 20 months.

# Good profit seen in resale of tankers

By Our Own Correspondent

SOUTH SHIELDS, Nov. 19.

AT LEAST eight of the 24 tankers ordered earlier this year from Swan Hunter by Maritime Fruit Carriers of Israel are understood to have been resold to other owners at good profits.

The profits, it is understood, are very high, and Swan Hunter has benefited because the deals have been negotiated by Swan Maritime.

This company was specially formed by Swan Hunter and MFC to first order the ships and then sell, lease or trade them.

The Tyne group has a 25 per cent stake in Swan Maritime and expects big profits. Some reference to the sales could be made to-morrow, when Swan Hunter publishes its trading results for the first half of this year. The group had no comment to-day.

The half-time results are said to be good. Swan Hunter is now recovering well from its disastrous shipbuilding losses of more than £10m. during 1969 and 1970.

Last year the group had a net profit of £3.6m. and some reports suggest that the half-year figures for 1973 could come close to this.

The main interest will be in the results — if they are published — of sales of Swan Hunter ships ordered by MFC through Swan Maritime.

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# Almost half nation saw Princess wed

PAMELA JUDGE

CESS ANNE'S wedding to and some 200,000 watched BBC's simultaneous coverage. It was not the highest BBC 25.5m. people in the U.K. to see the preliminary figures the BBC.

build-up of viewers was ordinary: when the Corporation programme began at 7.30 there were almost 1m. viewers for Princess Margaret's wedding to Lord Snowdon in 1960.

The BBC expects to have by 11 a.m. when the Queen's wedding programme of last year left the Palace for West-er Abbey. On the BBC's side, the TV's share of the expected to have been some 4.5m. 550m.

# Higher wool prices hit carpet manufacturers

KEN GORTON

ET MANUFACTURERS in level of 34.6m. kg, which in turn countries have reacted was well below the branch at higher wool prices, the target of 37.8m. kg. However, national Wool Secretariat an increase in imports may mean in London yesterday, that wool's share of the market is from IWS branches will drop by no more than 14-15 per cent.

Wool has been gaining ground in the U.S., but consumption is expected to drop this year from 41m. kg. to 35m. kg. at a time in blends or on their own when carpet demand generally has been strong.

"The strong currency situation in Germany, Austria, and Switzerland, where the IWS coordinates much of its work, has limited the effect of cost increases, but there is still caution in the industry about new wool prices, but in some cases rose from 85p to 180p a range," the statement said.

Japan provides the contrast. Although carpets are one of the smaller end-uses for wool, they were not affected as much as in other countries, and consumption increased by 29 per cent. on this year from the 1972 last year.

# Motor Show looking for a new home

FINANCIAL TIMES REPORTER

MOTOR SHOW, which has outgrown the Earls Court exhibition centre, is looking for a new home. The Royal Exhibition Centre at Earls Court, due to open in 1976, is considered the likeliest candidate at present, although the organisers, the Society of Motor Manufacturers and Traders, have reached no decision yet.

The SMMT is in something of a dilemma, since it needs about 800,000 square feet, which neither Earls Court nor Olympia can give it. The Birmingham centre will be big enough, but the SMMT is anxious to keep the Show in London, which, it says, is by far the best place for the public, the industry and the important overseas customers.

## Alternative sites

Alternative sites in London, such as the proposed trade centre at St. Katherine's Dock downstream from Tower Bridge, would be investigated, but they were all long-term projects at this year's Motor Show were down on last year, the number of exhibitors was greater. An SMMT spokesman said that too much should not be read into the decline in attendance figures, since similar declines had occurred at the big Continental shows this year.

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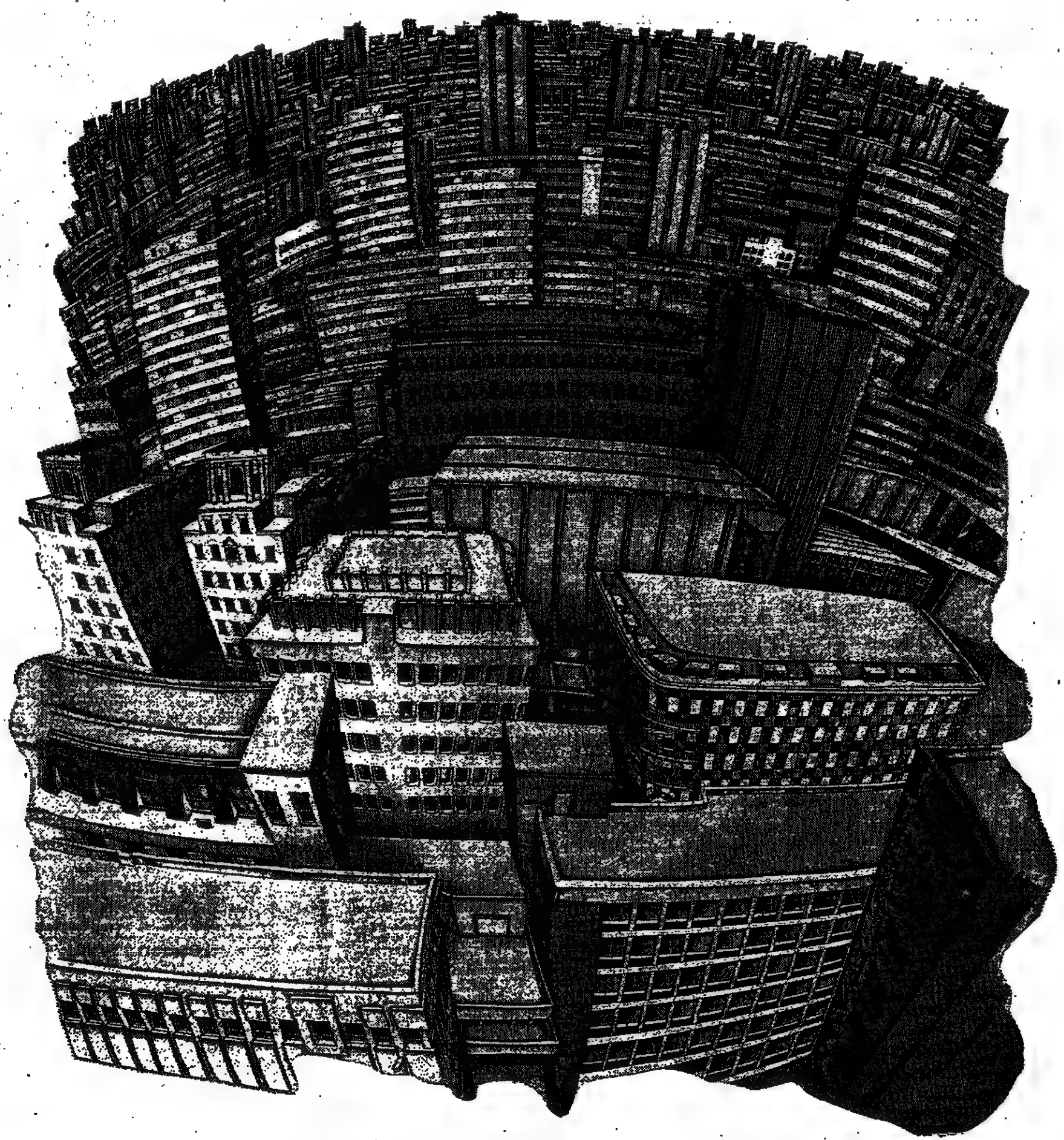
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time as the designers — even before the drawings existed. Work on site could not start until April 1970. But by April 1971, AA staff were actually operating their new Computer Suite. And by April 1972 (three months ahead of schedule) they were using the new Communications Building. By mid-May they were able to use twice as much office space as they had expected.

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# The Executive's World

EDITED BY  
JOHN TRAFFORD

## Turner & Newall's rethink

RAY DAFTER

PLASTICS industry is full of problems with raw materials, rising prices, falling stocks and environmentalists snapping at its heels producing non-destructible plastics.

It may not seem the best time for a company with minor stakes in plastics to plunge into this troubled industry.

This is just what Turner & Newall has done with the acquisition of some plastics interests from life Xylonite (EXL) for a price of £13.05m. The move is from impulse: it fitted the group's long term strategy to broaden its base.

Five years ago Turner & Newall was a largely monolithic company with 90 per cent of its activity in the U.K. with asbestos. Sales of asbestos-based products are growing although T & N also grows into two animal. One foot is now in non-asbestos business, namely plastics.

Steve Gibbs, a joint managing director, says that the EXL interests should then this foothold. The British industrial group was already in the long-established asbestos sector of the U.K. Now it has widened its plastics interests with a similar emphasis to include manufacture of PVC resin, used for such things as film, sheeting and cable.



Mr. Steve Gibbs, joint managing director: the plastics industry must face up to higher raw material prices.

Not only does the group now become a major supplier of PVC compounds sold in the U.K. but through the takeover contract it has also acquired the right to valuable PVC know-how in the U.S. The source of this is Union Carbide, EXL's parent, which, with its own particular interests in polyethylene, has not regarded PVC as part of its long-term strategy in Europe.

Mr. Gibbs says there is nothing to be ashamed of in buying companies or technology. "The plastics industry is moving too fast to hang about." Indeed, he himself was "acquired" with EXL in the early sixties and now at the age of 53, he already regards

himself as coming from the first generation of plastics men.

The growth of T & N's plastics interests complements the group's current activities. The majority of its principal markets are using more and more plastic. Of the group's third party sales of £142.5m. last year, for instance, 32 per cent came from automotive components, 31 per cent from building and construction materials and 25 per cent from plastics and industrial materials.

"There is not a single product in our plastics activities which is being sold because of its cheapness alone or purely for its substitute value. We have deliberately concentrated on products required for their technological qualities."

At first sight this may seem a strange comment, but it underlines Mr. Gibbs' theories about the future trends for plastics. The industry must face up to changes in the light of current problems which must lead to higher priced plastics; the days of plastics as cheap replacement materials are numbered, he says.

"If someone uttered a decree to-morrow that there should not be any more non-returnable containers it wouldn't worry us one little bit"—not that T & N has any intention of moving into the High Street or services industries unless it is to sell, says Mr. Gibbs. "We are still prepared to take a 'seat of the pants' attitude."

Decision records were broken a few days ago when it authorised a film expansion of a PVC calendaring plant at Brantham, near Manningtree, Essex, part of the set-up acquired in the EXL deal. Admittedly the plans had been drawn up before the takeover but it is still not bad going with the ink on the acquisition document still hardly dry.

PROFILE OF TURNER & NEWALL IN 1972	
Turnover	£142.5m.
Pre-tax profit	£16.3m.
Capital employed	£138.0m.
U.K. employees	23,671

already edged into a wide range of glass fibre, mineral fibre and rubber products.

An interesting new idea for further diversification is said to be in an embryonic state, coming out of the group's own mind "think tank," its New Ventures Committee.

This committee, comprising four directors and a secretary and meeting once a quarter acts as a satellite to the normal method of throwing up ideas—that is through the three-tier management system.

T & N operates with a main Board, unit company boards and either divisional boards or committees. The average cycle time for decisions on investment projects is claimed to be as little as three months.

"And we do not always abide by what our economists say either," says Mr. Gibbs, with the delight of a chemist and technologist. "We are still prepared to take a 'seat of the pants' attitude."

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A feature of T & N's organisation is the degree to which it is vertically integrated. Its asbestos interests range from mining to brake linings.

British Industrial Plastics is claimed to be the world's largest company of its type (vertically integrated), not only providing the resins and compounds but also building its own fabricating machines (and the business has proved something of a money spinner). The vertical line can stop, for instance, at birthday card wrappers. Yet, in spite of this high degree of integration only 7.5 per cent of BIP's turnover is in inter-company sales.

This has technical and commercial advantages; it gives the company experience of how its own materials behave while it also gives BIP a sounding board of the market it serves. One of the things removed a few months ago when BIP Tools, employing around 200, was closed down. "It was the Rolls-Royce of the tool-making industry but it was losing money and suffering from industrial action," said Mr. Gibbs.

"Apart from the losses it was taking a disproportionate amount of management time—something which is often overlooked—and we couldn't afford the time with so much happening." The immediate developments could result from the ideas of the New Ventures Committee. Mr. Gibbs hinted it could result in "exciting new fields."

"It is more likely to add to the character of our two legs rather than give us a third leg. We are certainly looking for significant growth and that will depend on how we manage to use our two feet. We want to run."

A British businessman, who ran a German plant between 1967 and 1971 and has since been in charge of a similar-sized British operation, talks to GEOFFREY OWEN about his experiences.

## Why German managers are better

"IF ONE of our machines is due for delivery on a certain day, the German buyer will ring up at 8 a.m. on that day and ask when he can expect it. The British buyer will often wait a couple of weeks before asking politely 'what has happened to the machine—it's overdue.'"

"British managers are more gentlemanly, they don't like making too much of a fuss. The Germans are not so pleasant to spend an evening with—they assert themselves too much, they talk shop when small talk is what you want, they are quick to take offence—in short, they are just not as nice as British managers."

"The German manager just won't stand for incompetence. If a supplier lets him down, that is the end of the relationship; no amount of generous lunches can repair the damage. I've known cases where Opel has refused to deal with a British General Motors subsidiary because a delivery failure once caused the assembly track to be closed down for half a day. In Britain people are extraordinarily reluctant to abandon their traditional supplier of, say, machine tools even in the face of persistent inefficiency."

### More ruthless

"In Germany the manager's objectives are more ruthless, more single-minded. He insists on the best, and goes on fighting until he gets it. When a machine shop manager has a request for new machine tools turned down by the Board, in this country he will probably grumble, shrug his shoulders and accept it—why should he get ideas by making an issue of it? In Germany he would go on badgering the directors concerned, take them into the shop to demonstrate why he must have the new machine, and generally make a nuisance of himself until he gets what he wants."

"The German manager is better trained, especially in the technical sense, and he will take more trouble to ensure that vacancies are filled by people who are completely ready for the hostility, the lack of mutual

comprehension, the feeling that 'if you don't give way we'll mess you about for as long as we like.' There's not the same tradition of bitter class struggle or the same multiplicity of unions, all with a vested interest in self-perpetuation and all governed mainly by the fear of unemployment and the wish to keep their particular services artificially scarce. The German system of one union per plant is a great help, as is the system of works councils which unites the staff and hourly paid employees on most issues."

"The activity of the works councils does tend to cut across union responsibilities, but most senior members of works councils are also union officials and this identity of personnel helps to eliminate potential friction. German workers want the golden eggs as much as their British counterparts, but they are more mindful of the need to look after the goose that produces them. They are more demanding than British workers, particularly on working conditions. Germans wouldn't put up with the building and facilities that exist in many British industries. This attitude—and the competition for skilled labour—has forced managements to modernise their buildings and make them as attractive as possible. The result is that the industrial environment in Germany is more conducive to efficiency than in this country."

"Will the German attitude last? I doubt it. I think the Germans are about five or ten years behind us. Work morality in Germany to-day is not dissimilar to that in Britain around 1965. Perhaps the influx of foreign labour has caused this process although I think the main reason is the end of the economic miracle. Living standards have reached something of a plateau and rapid growth is a thing of the past. I wouldn't be surprised to see organised labour in Germany becoming much more restive and demanding a larger share of the cake. Perhaps then they will catch the British sickness."

"You see similar attitudes on the shop floor. The German accepts work as a normal and even enjoyable part of life. He seems to say to himself 'I have to spend 8 or 9 hours in this place and I know that the time will pass more quickly and more pleasantly, and I shall feel better in the evening, if I use my skill and mental abilities constructively rather than apply them to the more subtle and difficult task of doing as little as possible.'"

### Very tough

"There is almost a complete absence of the 'two nations' or the 'they and us' attitude. Class divisions are far less marked and I think that the absence of the public school systems has much to do with this."

"Certainly the German union negotiators are very tough, but it's a toughness that seems more intelligently directed than in the U.K. You sense a determination to get what they want, but not as in Britain—the ingrained hostility, the lack of mutual

## guide through the growing legal jungle

H. HERMANN

NEED for special services for businessmen to keep up with the flow of new tax rules and decisions and to have to read them all increased tremendously in the past 50 years.

In the U.S. a number of nations such as Prentice-Hall, the Research Institute of Tax and the Bureau of National Affairs Incorporated sprung up. All of them classify and digest information that is of interest to accountants, generalists or some other group.

Recessions are often spanned by a proliferation of decisions and economic action by governments. In such a time services can often be during a recession.

Commerce Clearing House, leader in the field of loose-leaf series on tax and business law is a case in point. It started in a small way in 1918 following the introduction of the American Federal Income Tax.

Its scope increased with the emergence of new economic departments of the U.S. Government and received its greatest impetus in the first 100 days of Roosevelt's administration which saw the introduction of controls over business and the economy. The necessity of topical law reporting became generally accepted for the first time after the New Deal.

Since then the flow of rules and regulations has never abated. To-day the Commerce Clearing House has a staff of 1,800, producing some 140 Topical Law Reports. In the

first nine months of this year, its sales reached \$15.8m. and its net earnings \$4.8m.

In addition to the profit from publications there are the earnings of a separate division, the Computax Corporation set up in 1965. This offers computerised processing of income tax returns available to accountants and other professional tax advisers. The service includes returns and schedules developed by Computax Science Corporation and now sold through Commerce Clearing's marketing network. Earnings from this operation reached \$760,000 during the first nine months of this year.

An attempt at medical reporting made in 1963 was not successful and was discontinued in 1967 though reports on Medicare rules are still published.

The same fate was shared by Automation Reports. However, the company has been more successful in widening the geographical scope of its tax and legal reports by starting the World Tax series in co-operation with Harvard University and moving into the Canadian and Mexican markets by acquisition of local reporting companies.

In 1962 Commerce Clearing House started the publication of Common Market Reports, loose-leaf series giving the full text of Community documents and decisions with annotations—and opened an office in Brussels. In addition to the loose-leaf Common Market Reports it now publishes also Doing Business in Europe and a newsletter, The EuroMarket News, edited in Frankfurt. There are also small

## Management ideas from abroad

summaries are condensed the abstracting journals edited by Anbor Management. Readers wishing to original texts should to P.O. Box 23, Wembley, W1 (tele 83779) or to the local magazines.

USE FOR AND AGAINST RESPONSIBILITY. In Academy of Management Journal (U.S.), June 73: 10 pages.

Its detailed arguments for against the assumption of responsibilities by us, and concludes that the out will suffer customer able disavow.

NATIONAL TECHNO-TRANSFER. Lang in The Business (Canada) Summer 73: 5 pages.

ids that international

technology transfer can be an important means of survival for small manufacturing companies, outlines its marketing role, highlights the benefits (despite the apparent risk) of licensing "know-how" and describes an approach to setting up technology transfer relationships and marketing programmes.

DEVELOPING MANAGERS WITHOUT MANAGEMENT DEVELOPMENT. S. W. Gellerman in The Conference Board Record (U.S.), July 73: p. 32 (6 pages).

Discusses an approach to on-the-job management development for small businesses that cannot afford large-scale investment in management training; examines the significance of a task force organisation structure, and job design, for development purposes, the value of short-term career planning, and the importance of a coaching/controlling role for senior managers.

INVESTING IN THE "THIRD WORLD". R. Nurnberg in Manager Magazin (Fed. Rep. of Germany), July 73: p. 82 (4 pages, diag. table; in German, English version available).

A specialist in foreign investment summarises the line of successful operation in overseas markets for the benefit of the many German companies which see the setting up of local manufacture as a viable answer to growing labour scarcity at home. Advice is given on

market research, export expectations from the new location, financial aspects, expatriate management, and joint ventures.

WHAT EVERY MANAGER SHOULD KNOW ABOUT INTERNAL AUDIT. R. S. Brownlee in The Internal Auditor (U.S.), July/Aug. 73: p. 49 (8 pages).

Examines the role of internal audit and maintains that its effectiveness is diluted by the addition of other duties, such as systems or external audit work, or by restriction to accounting matters; stresses the importance of conveying this to all levels of management and discusses methods of doing so.

NEW PATHS TO CORPORATE SOCIAL RESPONSIBILITY. B. Richman in California Management Review (U.S.), Spring 73: p. 20 (17 pages).

Identifies pressures for greater corporate social involvement, and problems that need solving if corporations are to assume the relationship of responsibility and profitability, and benefits from social audits and opinion polls may be used to establish responsibility goals; discusses the pros and cons of having directors representing special interest groups, and the pressure that major institutional shareholders and government could exert to encourage positive policies; presents a multi-dimensional approach to social responsibility.

adapt to the physical and cultural environment, are stressed, and concludes that perhaps the wrong people are frequently selected.

EVALUATION OF INVENTORY MANAGEMENT. D. W. & J. E. Butler in Business Horizons (U.S.), June 73: p. 51 (10 pages, chart, tables).

Describes an approach to analysing and evaluating the effectiveness of stock management; lists the basic data requirements, and advocates the use of statistical sampling techniques, with brief case examples illustrating the scope for improvement.

MANAGEMENT AND THE MULTINATIONAL ENVIRONMENT. T. H. Bates in California Management Review (U.S.), Spring 73: p. 37 (9 pages, charts, tables).

Discusses the influence of risk on the organisation and decision-making process of a multinational corporation, and describes a game-theory technique for estimating uncertain outcomes and indicating optimal decisions.

USING ACCOUNTING INFORMATION IN PERFORMANCE EVALUATION. A. G. Hopwood in Management International Review (Fed. Rep. of Germany), No. 23/73: p. 83 (8 pages).

Identifies three styles adopted by managers in the use of budgetary accounting information, and presents a U.S. case study which examines their effects on the way managers perform; the implications of these findings for the design and operation of accounting systems.

SUCCESSFUL USE OF COMPUTER SYSTEMS. H. Cellman in The Business Quarterly (Canada), Summer 73: p. 38 (6 pages).

Describes the characteristics of a successful computer system, and outlines the factors for success; offers tested guidelines and a checklist of actions that contribute to, and criteria that measure, success.

Addresses: Academy of Management Journal, Department of Management, Bowling Green State University, Bowling Green, Ohio 43402. The Business Quarterly, School of Business Administration, University of Western Ontario, London, 72, Ontario, Canada. The Conference Board Record, 645 Third Avenue, N.Y. 10022. Manager Magazin, 200 Hamburg 11, Adm. Postfach 10, 2000 Hamburg 11. The Internal Auditor, 179 Broadway, New York, N.Y. 10038. California Management Review, 350 Harrows Hall, Berkeley, California 94720. Management International Review, 6000 Wisconsin, Fach 11, Fed. Rep. of Germany. Business Horizons, Graduate School of Business, Indiana University, Bloomington, Indiana 47401.



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## SOCIETY TO-DAY

BY JOE ROGALY

## Why we should be grateful to the Arabs

ARABS have done us a service in the past. The time has come when we must ensure that we do not repeat the mistakes of the past. We must ensure that we do not repeat the mistakes of the past. We must ensure that we do not repeat the mistakes of the past.

For the Arab embargo revealed the absurdity of the energy policy that we have pursued by most industrial countries of the West since the war, and made it plain to officials, if not all politicians, that a broad, long-term energy policy for the conservation of energy is now a matter of urgency. The emphasis here is on "term." Those who believe that we now face an imminent beginning to the Arab war. The price of oil was shooting up before the outbreak of the latest Arab war. The arguments that the producing countries could benefit by keeping more of their rapidly-expanding assets in the ground well-understood before that. Projections of a continuing explosion of demand have with us all along.

## Gratitude

It would, therefore, have been a good idea to have ourselves in something of the present position sooner. In a few years' time we will feel some retrograde gratitude for the sharp rise in the price of oil.

It is certainly the case that a Government now reviews its energy strategy, so much attention can be paid to the demand for fuel in the future as has been paid to

## THE ENERGY EFFICIENCY OF TRANSPORT

(U.S. figures: Source—Science magazine)

Transport type	Passenger miles per gallon	Transport type	Cargo ton miles per gallon
Large jet plane (Boeing 747)	22	One-half of a Boeing 707 (160 tons, 30,000 hp)	8.3
Small jet plane (Boeing 704)	21	One-fourth of a Boeing 747 (360 tons, 60,000 hp)	11.4
Automobile (sedan)	32	Sixty 150-hp, 40-ton trucks	50.8
Cross-country train	90	Fast 3,000-ton, 40-car freight train	97.8
Commuter train	100	Three 5,000-ton, 100-car freight trains	250.0
Large bus (40 feet)	125	Inland barge tow, 60,000 gross tons	220.0
Small bus (35 feet)	126	Large pipeline, 100 miles, two pumps	500.0
Suburban train	200	100,000-ton super-tanker, 15 knots	930.0

no longer afford to have the coal, gas, and electricity industries compete with one another and with oil in an unrestrained energy market. Artificial depression of the price of fuels, whether by subsidy or by taxation, is a distortion of the market. The Government should take steps to ensure that the waste of fuel is reduced to a minimum.

## Urgency

For a start, it could amend the Building Regulations to provide for the highest possible standards of insulation in homes, while legislating for similar insulation in factories and offices. New Building Regulations are in fact expected

shortly: it will be instructive to see whether they provide for such things as 3 inches of insulation in lofts, 2 inches in cavity walls, and properly insulated floors, for such standards would result in the greatest savings in future use of fuel in new homes.

The literature on this is considerable, and there are technical difficulties: some engineers argue that too much insulation in the walls in the coldest parts of the country can lead to ice forming in the outer brickwork, or water seeping through. But these arguments have been around for a long time, and it is plain that the difficulties can be overcome. There is no profit in putting off decisions any longer. The delay in the past has been due to the lack of a sense of urgency about fuel supply and the use of economic analyses based on cost-benefit to individual householders or office workers rather than the nation.

Thus one inch of roof insulation might be sufficient on a personal cost-benefit basis when oil is cheap and a householder expects to move within five years or so; three inches is absurdly cheap when the life of the house is taken as 50 years, fuel continues to rise in price throughout that period, and the cost to the nation in terms of a scarce physical resource is calculated accordingly. Again, industrial buildings and offices must be heated, according to the law. For this reason it has previously been assumed that, since the inhabitants are guaranteed comfort, there is no need to legislate for high standards of insulation.

out making the insides of homes and offices particularly unpleasant.

A further area of potential saving is in transport. The idea that buses and trains should be used more than cars and lorries is now widely understood (although the equally logical use of larger lorries to save the use of greater numbers of smaller ones is not). There are good social reasons for abolishing the use of cars to commute to work in city centres; one way of achieving this quickly might be to prohibit the occupation of any parking space whatsoever in streets, under buildings, or in public car parks, before, say, 10.30 in the morning.

Such a policy would be far more radical than a simple ban on Sunday driving; it would also constitute a long-term means of conserving fuel while at the same time enforcing a much-needed switch back to public transport in the cities.

## Transport

Even now, it seems that the Government is relying on the price of oil as a means of concentrating the minds of businessmen and householders voluntarily on the insulation of existing buildings. When it fully appreciates the urgency of the long-term supply situation, it may come around to regulations, taxes or subsidies designed to enforce these improvements. Such a policy, pursued to its fullest extent, might after a few years save as much as a third of the fuel used in heating, although some of the saving might be taken up by a higher standard of warmth.

Much more could be saved if future buildings were designed with fuel conservation in mind, making the best use of position vis-à-vis the sun, smaller windows, lower ceilings, and the like: the professionals claim that all this can be done with-

## Commission

There are also important savings to be made in industry and agriculture. This is not a matter of the temporary cuts now being sought for good immediate reasons by the Government, but rather of long-term changes in what is produced and how it is made. Again, the literature is extensive: a good start can be made with the recent "World Energy Strategies" put out by Friends of the Earth and articles in the March 30, April 13 and July 13 issues of "Science," the journal of the American Association for the Advancement of Science.

What this means is that Governments have to weigh the new-found disadvantages of energy-intensive industries (such as aluminium smelting) and agriculture (such as the use of certain fertilisers and feedstocks, not to mention the frozen food industry) against their general advantages. In many cases, the price mechanism will of course do the job; the point about a thorough appraisal of the demand side of the energy equation is that from now on we at least need to know what our activities are costing us and take action if the equations come out the wrong way.

For this reason there is much merit in the idea, increasingly popular, of setting up a national Energy Commission. Lords Robens, Janlan, Kennet and Avebury have all come out in favour: the differences between the various advocates emerge when you look at the detailed brief. For myself, I fancy Lord Avebury's description of such a commission as necessarily independent of any of the fuel industries and of any Government Department.

It would be essentially a research-and-advise operation, serviced by adequate professional staff, and with any luck it might arrive at a properly balanced view of some of the many conundrums involved in moving to an era of scarcer fuel. The era may not last forever: next century we may have fusion energy. Until then, we can best survive by learning the lesson the Arabs are teaching us.

## Labour News

## Ambulance crews set for £4 rise

OUR LABOUR STAFF

ON LEADERS representing 600 local council ambulance emergency cases only were meeting to-day to consider a pay offer, believed to give Council at patchy. Some stations are totalling more than 11 in the south-east and north-west. The offer might lead to the ambulance services, but crews in the south-west and north-east were working normally.

Crews in 40 local authority areas throughout the country are now running restricted services of about 24 a week. Tomorrow's meeting was called after shop stewards voted on Thursday to answer accident and emergency calls only. After the vote, many stewards complained that full-time officials had unduly influenced the meeting not to call for strike action.

The main moving force behind strike and the other for selective one-day strikes—have already been for the meeting. A response by ambulance yesterday to calls by shop stewards' joint national council.

## London dockers back demand for £8 rise

JOHN WYLES, LABOUR REPORTER

UNOFFICIAL national pay strikes in support of a demand for an £8-a-week increase. The unofficial campaign will be discussed by the dockers' national shop stewards' committee at a meeting in London on Saturday. The committee has been virtually without influence since last year's docks strike and the latest pay moves are seen as a bid by shop stewards to gain the initiative.

Yesterday's vote in London poses a contradictory problem for the dockers' official 18-man delegate committee whose own plan for a £10 a week claim was thrown out by a larger mass meeting last month which favoured a return to incentive bonus payments.

The committee is expected to meet shortly to discuss the next pay move. Meanwhile, Tilly's 2,000 dockers have been called to a mass meeting to-morrow to discuss the pay claim.

## Provincial journalists step up campaign

OUR LABOUR REPORTER

National Union of Journalists has instructed more than 100 provincial journalists to adopt restrictive practices from to-morrow in support of one's pay campaign. A circular sent out yesterday urged a number of measures: individual journalists (NUJ branches) should adopt appropriate "blackmail" at a strict 40-hour week, allowing the number of newspapers to be in above the level at this time.

The new premises of the Midland Bank Parliament Street, York, branch were opened by Alderman Jack M. Wood, Lord Mayor of York, yesterday. The building also contains the bank's regional head office, formerly in Low Ousegate, York, and the York branch of Midland Bank Trust Company.

## Agreement near on underground 9m. tons oil store at Teesside

BY RAY DAFTER

MAJOR OIL companies and Imperial Chemical Industries are said to be near agreement over a multi-million pound plan to create an underground store beneath Teesside for 9m. tons of oil.

ICI said last night there were "excellent prospects for a satisfactory agreement being reached with the oil companies."

Although the companies have not yet been named, it is known that ICI is at a conclusive stage in its discussions with Shell Chemicals and BP Chemicals over the possible joint con-

struction of a £100m. ethylene plant.

The most-favoured site for this cracker is, at present, Teesside and it is likely that if the store is built it will be used in part to hold the necessary oil feedstock for the plant.

The storage scheme involves turning a disused anthracite mine, part of which runs under Billingham town centre, into a huge oil reservoir. It would be one of the biggest underground oil storage centres in the world, capable of holding almost one-tenth of the current U.K. Chemicals and BP Chemicals consumption.

The mine, extending over two

square miles, is close to the Teesside end of the pipeline from the Ekofisk field in the North Sea. Adaptation would take several years, possibly employing a labour force of 300.

Dow Corning, part of Dow Chemical Group's interests, has also announced a several million pound project at its Barry factory in South Wales.

The scheme involves the modernisation of the factory in order, says the company, to satisfy anticipated demand for silicone products. The company's latest silicone manufacturing technology is to be used.

## Jessel Securities acquires first major banking stake

BY MARGARET REID

JESSEL SECURITIES, the financial and industrial group, has acquired its first major stake in a banking business through a £11m. deal raising its interest in the Birmingham-based G. R. Wawes Holdings to 20 per cent.

Mr. Howard Dawes, chairman of Wawes, whose name has just been changed from Neville Group following its increased concentration on banking, announced yesterday that Jessel had acquired 974,880 shares at 155p a share.

This represents 18 per cent. of the Wawes shares, and raises the small interest which Jessel has for some years had in Wawes to just over 20 per cent.

Mr. Dawes told his company's annual meeting: "This investment is the only major banking stake which Jessel Securities has acquired and is regarded as a permanent investment. The association

gives rise to a closer working relationship and offers considerable scope for growth in banking and investment activities."

Mr. Martin Bell, a Jessel director, said yesterday that his group had done a lot of banking with Wawes over the years and believed that it is very well placed, now that it has been reorganised into almost purely a bank and is capable of a lot of further expansion.

An important aspect of the increase in Jessel's stake in Wawes will rank for accounting purposes as Jessel associate. Mr. Bell referred to it as becoming a "quoted associate arm engaged in banking."

Within the last few months Wawes has disposed of several of its industrial subsidiaries, for net proceeds of £4.6m.

This has enabled a further £2.5m. to be devoted to the

development of the banking activities of the G. R. Dawes and Co. subsidiary, in addition to £500,000 cash channelled into it in March.

£7m. scheme at Felixstowe port launched

THE Port of Felixstowe has opened the first berth of its £7m. expansion project. A spokesman described the opening as the most significant step in the expansion of the port since the completion of the first container and roll-on facilities nearly 10 years ago.

More than 1,500 feet of new quays, created from 60 acres of land reclaimed from the sea at the mouth of the River Orwell and equally suitable for handling other general cargo of roll-on/roll-off traffic, will be available when the new development is completed in 1974.

## First hammering of Irish firm

BY NICHOLAS LESLIE

THE FIRST "hammering" of a firm of Irish stockbrokers was announced yesterday. James O'Connor, a small firm based at the Limerick and with an office in Galway, has informed the Stock Exchange Council that it is unable to comply with its

The firm has three partners, who are brothers. They are Mr. John Coleman O'Connor, Mr. Patrick Mary O'Connor and Mr. Joseph Mary O'Connor.

O'Connor is the firm's chief hammering since the unification

of the London and regional stock exchanges, in April. No reasons were given in yesterday's announcement for the firm's failure, but it is believed that O'Connor's dealings in mining shares, particularly Canadian, led to the present situation.

Although the sums involved in the failure may be large by Irish standards, the Stock Exchange compensation fund is more than adequate to cover any claims which will arise.

At present it stands at just under £1m., but on each failure

a call of £1,000 may be made on each firm. This, in view of there being some 4,800 firms, means the fund could if necessary be raised by about £4.8m. Such a call is unlikely in this case.

## LIFEBOAT STAMPS

Guernsey Post Office is to issue a set of four special stamps on January 18, to mark the 150th anniversary of the Royal National Lifeboat Institution. Printing is by Helle Courvoisier of La Chaux de Fonds, Switzerland.

## Ireland: manufacturing for profit in the EEC.

Ireland's manufacturing advantages are: abundant manpower resources...ready-built factories and serviced factory sites...substantial grants for capital investment and worker training...and 15 years' tax freedom. It is the package that guarantees your manufacturing profit.

**Strategic location, speedy transportation.**

By sea: Containers, general cargo and drive-on/drive-off trailers to British and Continental ports. Regular sailings to other world destinations.

By air: Regular scheduled services to all EEC countries including 10 British cities. Daily transatlantic services. Internal: National road-haulage system; 24-hour rail freight service.

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There's no shortage of willing, educated workers. I.D.A. grants cover training costs. English is the everyday language.

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**Room to expand—plus up to half the capital you need.**

Ireland has industrial sites in a wide range of choices. Buy a fully developed site or rent a ready-to-occupy factory on favourable terms.

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**No red tape!**

Our organisation handles Ireland's Profit Offer, negotiates and arranges everything—and Ireland's Profit Offer is a streamlined package. Your company deals with one organisation only—eliminating delays, frustrations and information gaps. The services provided by I.D.A. Ireland, established by the Government to promote balanced industrial growth, include:

- Advice and information on all aspects of setting up a factory in Ireland.
- Negotiations with all interested parties in Ireland, public and private.
- Full aftercare service, anywhere in the country.

**BONE CRAVENS**

**£1.6M. EXPANSION**

Bone Cravens expects to spend £1.6m. on machine tools and buildings during the next four years to boost the capacity of its Sheffield works by about 50 per cent.

Employment will increase by about 50. The D.T.I. is supporting this expansion with a loan of £800,000 under the Industry Development Act.

## Clay Cross council staff strike

BY OUR OWN CORRESPONDENT

CHESTERFIELD, Nov. 19.

ALL THE council staff at Clay Cross Council, Derbyshire, went on strike yesterday. The 30 staff, including the four chief officers who decided last week to resign, walked out because the 11 Labour councillors failed to meet a list of demands by a 10 a.m. deadline.

The staff was later accused of "blackmail" and will decide to-day whether to go back.

The council officers were totally deserted from mid-day after Mr. Frank Green, the clerk, had left, locking the doors behind him. Only the engineer and surveyor have been given permission to be available to deal with any emergency which might affect life and limb.

The strike has brought to a head trouble between the staff and the councillors since the resignations were handed in last week. Mr. Jack Briggs, East Midlands district organisation officers of NALGO, the staff's union, said last night: "The staff addressed a letter to the council on Thursday asking them not to accept the resignations and saying that no officer should be required to undertake any duty

which placed him or her in jeopardy under the law."

The staff set a deadline for a written reply, but received only a verbal message from the council chairman saying the councillors would meet to discuss the situation. In the light of this, NALGO urged its members at Clay Cross to withdraw their services.

Mr. Briggs said the responsibility now rested firmly on the shoulders of the councillors. But Councillor Charles Bunting, chairman of the housing committee, said the council had disregarded the staff's letter because it was "nothing short of blackmail."

He claimed: "We have been model employers and we have done everything possible for our staffs from the chief officers to the most junior of juniors."

The strike is the latest in a series of crisis confronting the councillors. They are already liable to a £7,000 surcharge for refusing to increase rents under the Housing Finance Act and are likely to be taken to court by the Pay Board for paying their 94 manual workers' pay rises which are above the limit set by











## MINING NEWS

## Avoca is doing well but...

BY LESLIE PARKER, MINING EDITOR

ANOTHER of Ireland's existing mining operations, that at Avoca in County Wicklow, has the possible misfortune of reporting higher profits from an upward swing of the metal price cycle, in this case copper, at the precise time when the Irish Government is busily thinking up a new tax system to replace its formerly promised 20-year tax holiday.

In the nine months to September 30, Avoca Mines Canada made a net profit of \$1.2m. equal to 20.2 cents a share. In the same period of 1972 there was a small loss. In the early sixties the operation cost the Irish taxpayer some \$2m.

It is to be hoped that these past events will be borne in mind by the Irish authorities when dreaming up their new mining tax structure quite apart from the fact that unless this is sensibly devised substantial quantities of much needed minerals will inevitably be left in the ground.

## Marginal mines

The Avoca company says that it has submitted its own brief to the Government as a separate element in the industry's joint submission. In the nine months to September 30, Avoca Mines Canada made a net profit of \$1.2m. equal to 20.2 cents a share. In the same period of 1972 there was a small loss. In the early sixties the operation cost the Irish taxpayer some \$2m.

## MINING BRIEFS

**NEW GUINEA GOLDFIELDS**—October: Golden Ridge mined 3,355 tons ore and 1,111 oz. gold. Produced 1,662 ounces. Tribulation produced 85 ounces. Wan Sengmin produced 1,000 ounces. Vanuatu Production: Last production report: 2,000 tons ore, 1,000 oz. gold. Company's half share in joint venture with Crayke-Timble at Jidau amounting to 13.51 long tons to date, four months 57.34 tons.

## RENDON TIN DREDGING

October: Company's half share in joint venture with Crayke-Timble at Jidau amounting to 13.51 long tons to date, four months 57.34 tons.



**CHAMBERLAIN PHIPPS**  
Manufacturers of components and materials for the footwear, clothing and automotive industries

## INTERIM STATEMENT

The trading profit of the Group for the six months to 30th September 1973 was £273,630, which is an increase of 26.1 per cent. over the same period last year. The Group turnover was £14,199,278 which is an increase of 24.4 per cent. The profit of the Group before taxation was £738,549 which is an increase of 22.6 per cent. on last year.

Direct comparison of earnings per share this year with last year is not possible because of the introduction of the imputation tax system. If the basis had been the same for the two half-years, the earnings per share would show an increase of 34 per cent. over last year as the figure of 2.01 pence at 30th September 1973 is comparable with 1.50 pence, the amount which, at 30th September 1972, would then have been shown.

Your Directors have declared an interim dividend on the ordinary shares of 0.56 pence per share making, with the related tax credit, a total of 0.8 pence (1972 0.8 pence per share). The dividend will be paid on 22nd December 1973 to shareholders on the register at close of business on 23rd November 1973.

The Group has had a satisfactory six months' trading and the demand for the majority of our products continues at a high level. An encouraging feature has been a greater contribution to the profit from our overseas companies.

Your Directors expect a continuation of the growth in earnings which the Group has achieved during the last ten years, subject to the effects of the Government's counter inflation policy in the United Kingdom and a possible shortage of raw materials.

W. R. F. Chamberlain

Comparative Figures (unaudited)	1973	1972
Six months ended 30th September	£	£
Group Turnover	14,199,278	11,416,879
Trading Profit of the Group	673,630	592,672
Interest Payable	135,081	90,549
Profit before Taxation	738,549	602,323
Taxation*	255,000	252,000
Net Profit of the Group	333,549	350,323
Minority Interests	32,361	31,152
Profit Attributable to the Shareholders	361,168	319,171
Dividends	101,363	141,238
Retained Profits	£249,785	£177,935
Earnings per share	2.01p	1.81p

\* The rate of U.K. Corporation Tax from 1st April 1973 has been assumed to be 50 per cent. compared with 40 per cent. last year.

**A Gala Charity Performance in the presence of Her Royal Highness The Duchess of Kent in aid of the National Society for Cancer Relief**  
Paramount Theatre  
Lower Regent Street,  
London S.W.1.  
Thursday, 29th November 1973 at 8.15 p.m.

The Director Company presents

RYAN O'NEAL

A PETER BOGDANOVICH PRODUCTION

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## Wankie Colliery

**RHODESIA'S Wankie Colliery** has received £8m. (£5.2m. before tax of £2.8m.) on its insurance claim following last year's disaster at the big mine and the money has been transferred to fixed asset replacement reserve. Our Salisbury correspondent reports that the company is now in dispute with the Rhodesian Government over the use of these funds.

The company view is that the Government has been spending on the capital development programme which is continuing. The Government argues that the fire insurance proceeds should be used to determine the surplus or deficit on Wankie's price equalisation account.

Wankie warns that if the Government view is upheld the effect on the amount available for dividend would be "considerable". Meanwhile, the Anglo-American Corporation group company has applied for a further coal price rise in terms of its agreement with the Rhodesian Government. The outcome of this and also of a definite ruling on the treatment of the insurance claim proceeds is hoped to be known when the chairman's annual statement is published early next month. The shares were unchanged at 105p yesterday.

## NEW PAY RISE FOR AFRICANS

The minimum pay for African workers in South Africa's gold and coal mines will be increased by a further 10 per cent. from December 1 the Chamber of Mines of South Africa announces. Following this latest increase the starting rate for underground workers with a minimum of 12 years' experience will be 72 cents (49p) per shift, or about R19 (£11.57) a month.

Most of the men are paid above the minimum, depending on their job category and experience while all get free accommodation and food plus other benefits. The Chamber fixes only the minimum wage rate and it is left to the mines to decide what they will pay above this.

The Chamber last raised the minimum wage rates in April when it was announced that no underground worker would be paid less than 60 cents a shift, this being an increase of 50 per cent. over the previous minimum rate. Over the past two years wage rates have moved up by about 70 per cent.

## WESTRALIAN SANDS

Western Australian beach sand mineral producer Westralian Sands says in the annual report that future prospects are viewed with optimism. In contrast to last year when some minerals had to be stockpiled for the demand for the company's products has strengthened and expanded sales are expected.

As well as planning for increased output a greater flexibility is sought in specifications of recovered minerals to suit customers' specialised requirements. Total ilmenite production is stated to be virtually committed by long-term contracts and demand for other minerals has strengthened.

In the year to June Westralian produced 173,042 tons of ilmenite and 24,288 tons of zircon. The shares were quoted in London yesterday at 14p.

## NO INTERIM FROM KRAMAT

The interim dividend is being passed by the London Tin Dredging Company. In the six months to September 30 there was a loss of approximately \$226,000 after charging the cost of the river crossing and providing for depletion and depreciation. Production has been restricted by the river crossing and the subsequent failure of the dredge to achieve the output and digging depths indicated by boring. The dredge is now turning south in an attempt to improve future recoveries. Yesterday London Tin were 2p down at 165p.

## ROUND-UP

The proposed sale has now been made by American Smelting and Refining of 10.2m. shares in MIM Holdings to Australian shareholders in the latter. This will reduce Asarco's holding in MIM to 49 per cent.

Associated Minerals Consolidated the big Australian mineral sands producer in the Consolidated Gold Fields group making a one-for-one scrip issue to holders registered on December 14. AMC states that it is unlikely that the dividend rate of 22 cents per share will be maintained on the higher capital but present indications are for higher profits in the current year to next June.

The Colonial Star Refining subsidiary, Pacinex, has been drawn from the Ferrovanadium Corporation project at Barrambie, some 380 miles from Perth, leaving the way open for a "major corporate" to participate in the plan to develop tri-metallic reserves worth \$86m. (£57m.). Pacinex reckons that the potential rewards of this exciting concept "do not justify the capital expenditure and risks involved."

**WESTERN MINING**—Four weeks ended November 6: Central Manganese Gold mined 10,229 tonnes of 4.1% manganese. Kalkerville Lake View treated 101,000 tonnes for 1973 output.

**JANTARA**—Group outputs for October: Tin 20.05 long tons, Columbite 1.16 long tons (6-december: 26.53 and 21.25 tons respectively).

## AUSTRALIAN CONTINENTAL

Australian Continental Resources has received an offer from Dorridge Investments (a wholly-owned subsidiary of Industrial Equity) to purchase shares in the company at a price of 50 cents per share. Dorridge has indicated it requires a 50 per cent. acceptance.

The directors of ACZ advised shareholders that they consider the offer to be "totally inadequate" in the light of the considerable progress that has been made this year in the company's pastoral activities.

They recommend shareholders to reject the offer as they themselves intend to do in regard to their own shareholdings. The company's principal shareholder, Triumph Investment Trust, holds a similar opinion and will not accept the offer for its holding. ACR says that the improved results reported for the first half of 1973 "have continued strongly."

## Brooke Bond makes share equalisation proposals

THE DIRECTORS of Brooke Bond Liebig are proposing that in future all shares should carry one vote each, forming a single class of Ordinary shares. At present the "A" shareholders have one vote per share, while the "B" Ordinary holders have one vote for every 24 shares held.

In a circular sent to members and loan stockholders with the annual report, chairman Sir Humphrey Pridmore explains the directors have been particularly influenced by two considerations. First, the existing differential in voting rights could restrict future expansion by making it difficult to grow in any way which involved the issue of shares; and secondly, the public feeling that the holder of equity shares should be able to exercise an influence in the company's affairs in proportion to his holding.

In order to compensate the "A" Ordinary shareholders for the dilution of their voting rights, the directors propose to make a scrip issue of one new "A" Ordinary Share for every ten "A" Ordinary Shares. The proposals involve the issue of 397,750 Ordinary Shares of each and will have a negligible effect on earnings per share, they state.

Sir Humphrey adds Morgan Grenfell have been consulted and have advised that, in their view, the proposals are in the best interests of the company, all its

shareholders and the holders of Convertible Stock and are fair and reasonable - as between the classes involved.

In his annual statement, the chairman "expects that any estimate of profits for the current year must be tentative at this early stage, particularly in the present fluid state of the commodity and currency markets. With this proviso, pre-tax profits are expected to show some increase both overseas and in the U.K."

As reported on October 31, pre-tax profit increased from £14.3m. to £15.3m. for the year ended June 30, 1973. Dividend is 8.45 per cent. net, compared with 8.05 per cent. net a year earlier.

Sir Humphrey reports an overall improvement in working capital and liquidity, due mainly to sales of subsidiaries and properties in the U.K. This has taken the strain of financing increased sales and investment in the U.K. and abroad.

The increase in stocks of £10.9m. includes £3.4m. for increase in book value of cattle stocks. Debtors showed a sharp increase from £29.9m. to £40.7m. Capital expenditure of £11m. was incurred during the year. Contracted and planned expenditure at the year end totalled £10.9m., not including £2.7m. earmarked for establishing a new subsidiary in Brazil.

The implications of substantially unchanged U.K. profits, especially in the light of the new corporation tax system, are "well appreciated by the Board," members are told. Much work is going into the creation of new opportunities in the U.K. along with continuous efforts to improve the profitability of the group's existing business.

Since the end of the financial year, Brooke Bond Oxo has begun a major effort in the instant coffee market and current sales are "encouragingly high," Sir Humphrey reports.

On the Continent, good profits from Belgium, Germany, and Italy were offset by development losses in France and Spain. "This is a necessary stage in our development on the Continent, and we shall continue to devote sufficient resources to the area to achieve a strong presence there."

In North America, the Canadian cheese division produced record sales but profits were hit by start-up troubles on a new plant. An analysis of sales and profit shows (£'000s omitted): tea, coffee, meat and other food products £346,475 and £11,639; plantations £19,000 and £2,161; livestock £3,189 and £2,167; and other activities £6,550 and £255. Intra-group sales accounted for £67,385,000.

Chairman's Statement, Page 15 See Lex

## Imps and Glenlivet Distillers in marketing link-up

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

THE GIANT tobacco concern Imperial Group strengthened its links with Glenlivet Distillers last night with the announcement that it had built-up its stake to 27.5 per cent. and that Imperials brewing subsidiary Courage is to take over the marketing of Glenlivet's whisky brands in England and Wales.

Imperial took its first interest in Glenlivet in April this year when its investment offshoot overtook part of a "rights" issue of shares by the Scottish concern. The increased stake is currently worth about £5m.

Now Courage will handle Queen Anne Scotch whisky, something which is the last whisky and the Longmorn-Glenlivet Highland malt whiskies.

But it is still not clear whether Queen Anne will become the "pool" whisky for the Glenlivet Imperial pubs which trade as Courage and as John Smith's, Tadcaster.

For Courage already has two branded whiskies of its own. Mr. Bobby Shaw, deputy chairman of Glenlivet, stated last night: "Marketing arrangements for next year are still under discussion."

Mr. Shaw insisted there was no relationship between the purchase of Glenlivet shares by Imperial and the trading arrangement. "Imperial started showing an interest in our company for reasons of their own—long before so far."

the trading discussions began. There was no question of one being conditional on the other.

Marketing of the Glenlivet brands has been switched from International Distillers and Vintners, now a subsidiary of the Grand Metropolitan Group. Mr. Shaw maintained: "IDV has served us well but perhaps there might have been a conflict of interest developing."

This is a reference to the fact that IDV has now begun to promote more aggressively in Glenlivet shares by Imperial one of the top three best-selling "Imperial" started showing an interest in our company for reasons of their own—long before so far."

## Commercial Union Assurance Company Limited

The following are the estimated and unaudited results of the company excluding the results of Delta Lloyd Verzekeringgroep N.V. for the nine months to the 30th September 1973 together with the results for the nine months to 30th September 1972, on the same basis of accounting and at the same exchange rates.

	9 months to 30 Sept. 1973 (Estimated)	9 months to 30 Sept. 1972 (Estimated)	Year 1972 Published (Actual)
Net Written Premiums: Fire, Accident and Marine	460.7	443.1	567.2
Underwriting—Fire, Accident and Marine	(16.4)	(13.9)	3
Investment Income	40.1	32.9	50.0
Life Assurance Profits	2.9	1.8	2.5
Share of Associated Company's Profits	1.9	1.7	1.4
Trading Profit	37.6	32.5	50.1
Loan Interest	10.6	7.3	10.1
Minorities	5	5	7
	11.1	7.7	10.8
Profit before Taxation	26.5	24.8	39.3
Taxation	11.0	10.9	13.3
Profit after Taxation	15.5	13.9	26.0
Earnings per Share	7.51p	6.99p	13.06p
Principal Exchange Rates used:			
U.S.A.	2.41	2.41	2.35
Canada	2.43	2.43	2.34
Australia	1.82	1.82	1.84
Underwriting Results			
The Australian underwriting loss for the year to 30th June 1973 (date on which our Australian subsidiary draws up its annual accounts) amounts to £5.6m. compared with a loss of £1.7m. in the previous year. During the year to 30th June 1973 legislation in two Australian States imposed increases in the levels of benefits payable to existing workmen's compensation claimants and there were severe inflationary effects on third party motor and workmen's compensation business throughout Australia. Both of these causes have necessitated increasing the amounts previously provided for outstanding claims in these two classes by some £4.5m. which has been charged in arriving at the loss for the year of £5.6m. of which three-quarters has been included in the above results.			
In the United Kingdom there continue to be modest underwriting profits from the business as a whole.			
In the United States our volume of business continues to be substantially unchanged from that of a year ago. Although the underwriting experience is poorer than that of 1972, the present trends indicate that, barring unforeseen circumstances, there should be a small underwriting profit in the United States for the year 1973.			
The underwriting results for the Rest of the World, including Western Europe show an improvement at 30th September 1973 compared with the position a year ago.			
Life and Annuity			
	9 months to 30 Sept. 1973 (Estimated)	9 months to 30 Sept. 1972 (Estimated)	Year 1972 Published (Actual)
New Sums Assured	777.1	870.0	970.3
New Annuities per annum	10.7	7.9	13.6
New Life and Annuity Premiums:			
Single	18.6	7.3	12.0
	15.2	23.0	30.5

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Life and Annuity

9 months to 30 Sept. 1973 (Estimated)

9 months to 30 Sept. 1972 (Estimated)

Year 1972 Published (Actual)

New Sums Assured 777.1 870.0 970.3

New Annuities per annum 10.7 7.9 13.6

New Life and Annuity Premiums:

Single 18.6 7.3 12.0

15.2 23.0 30.5

Delta Lloyd Verzekeringgroep N.V. ("Delta Lloyd")

As shareholders will have seen from the circular sent to them on 9th November 1973, the Company now owns over 99% of Delta Lloyd. The results of Delta Lloyd will be consolidated at the end of 1973 and, because of the need to change their bases of accounting to those of the Group, the results of the Group as a whole for 1973 will be published about one month later than those for last year.

Insure with  
Commercial Union  
Assurance



## Stothert &amp; Pitt growth continues

THE LEVEL of orders at Stothert and Pitt continues to improve states chairman Sir Richard Clarke and those to hand at the end of 1972/73 amounted to £2m. of which nearly 40 per cent. was for export compared with £7.5m. a year earlier and with £4.5m. at end-June 1971.

Sales of cranes and deck machinery are increasing both at home and overseas, he continues and profitability has improved significantly as a result of increasing rationalisation of design and production. Demand for paint and printing ink has improved and is currently running at a high level in both the home and export markets.

As reported on October 32-pre-tax profit for the year ended June 30, 1973, was £750,757 (£337,593) with a dividend of 10 pence (7 pence) net.

Sir Richard says that the performance and prospects of the group have now improved to the point at which a major long-term programme of reconstruction of production facilities can be undertaken to provide an effective basis for future expansion. This will enable the group to achieve a substantial growth of output from its facilities in both at product costs which will provide "last" profitability for the business with stable employment prospects and increasing opportunities for our employees.

The programme is in two phases to be carried out in parallel in the next four years divided in phases. It will be possible necessary to spread it over a longer period. The first phase is going ahead.

Total expenditure on utilisation and re-equipment estimated as being of the order of £14m. to £20m., a large part of which will be financed by the group, provided of course it is permitted to achieve adequate profit margins for its purpose.

## SAFEGUARD INDUSTRIAL INVESTMENTS LIMITED

Mr. E. F. J. Plumridge reports on year o substantial progress and current outlook

Last year I indicated that if reasonable conditions prevailed, there was no reason why the progress made in the previous year should not continue. One could hardly say that reasonable conditions have prevailed but, nevertheless, the Company made substantial progress and finished the year by again beating the Index.

## Revenue Accounts and Dividend

Safeguard's gross revenue for the year to 30th September, 1973, was £374,586 (£321,750). Net revenue before taxation was £414,708 (£363,862) and after taxation £274,028 (£230,425).

The Directors recommend a final dividend of 1.70p per share net making a total dividend for the year of 2.40p per share, or approximately 13.71% gross, compared with 12.8% gross (as adjusted for the scrip issue) last year.

## Balance Sheet

The theoretical break-up value of the Company is £2,261,572, equivalent to 84.2p per share compared with 85.2p (as adjusted for the scrip issue) last year. I think this is a satisfactory outcome, reflecting the emphasis we place on the capital value of the portfolio as well as on income.

To emphasise this, the year under review started with the Financial Times Actuaries' All-Share Index at 199.0 and finished with it at 181.43, a fall of 8.6% against the 1.3% decrease in our break-up value. Over the last three years the index has risen by 30.5% whereas our break-up value on a comparable basis has increased by 60.5%.

Based on market values at 30th September, 1973, 88.7% of the quoted portfolio is in equities, 8.3% in convertibles and 3.0% in fixed interest securities.

## Unquoted Investments

I have outlined in previous statements our current policy of taking on our own, or in partnership with others, a larger percentage stake in unquoted companies and a greater part in the management of the companies in which we invest. Last year I specifically referred to our investment in N. Blake Ltd. and, during the year, two further investments of this kind were made, namely, William C. Jones Ltd. and Longworth Instruments Ltd.

## Future Prospects

Last year I referred to the currency and political problems facing our country and on which the future of investment and indeed Safeguard depended. Regrettably, all the things I said last year are with us today and in the meantime, the Government and the country have been presented with more problems.

But we can, with unity of purpose between all sections of the community overcome our difficulties and then we have a great future. If we do not achieve this, then the outlook is indeed worrying.

Subject to this, I can say that the indications of an increase in income next year are favourable and I shall be disappointed if this is not achieved.

A copy of the Report and Accounts of Safeguard's brochure can be obtained from the Secretary, at 87, Eaton Place, London SW1X 8DX.

LOCKWOODS FOODS  
SUBSTANTIAL INCREASE IN CURRENT YEAR'S SALES

The following are extracts from the circulated statement of the Chairman and Managing Director, MR. PHILIP LOCKWOOD:

I have pleasure in presenting the accounts of your company for the year ending 31st May, 1973 showing a consolidated profit before taxation of £251,000 as compared to £222,000 the preceding year. Taxation on these profits requires a provision of £345,000. After meeting dividends on preference shares amounting to £36,000 we propose the payment of ordinary dividend at the rate of 2.5p per share (equivalent 16 per cent gross paid for 1972) absorbing the sum of £157,000.

After payment of the above dividends and a transfer deferred taxation reserve of £24,000 retention for the year amounts to £206,000 as opposed to £197,000.

The results of the year reflect the continuing adverse climatic trend which I referred to last year into yet a four winter but I am pleased to report that there has since been an improvement in demand for both canned fruits and vegetables and sales for the first four months of the new year both current and forward show substantial increases. I will see that higher charges for interest on borrowed money have been a major factor inhibiting improved results in the year under review.

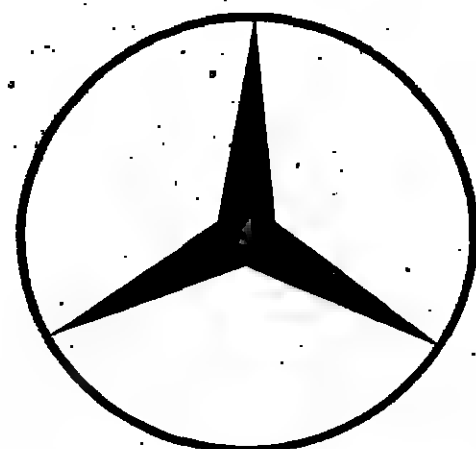
We have since June of this year brought into operation freezing plant at our Goolle factory costing some £280,000. I have completely sold the first year's output and are considering an expansion of plant for the 1974 season and feel that if new departure holds out good prospects for your Company.

Once again the profitability of John A. Hunter and Co. has been adversely affected due to higher meat prices including our inability to pass on increased costs during a period of the Price Freeze from October 1972. There are signs that the rate of increase in meat costs should moderate which gives some grounds for confidence in the current year. Sales have also shown a healthy improvement in the six months.

Our Dutch meat canning company B.V. Lupack has provided both sales and profitability. Actions to buildings a plant at



# Mercedes-Benz continue progress into 1973



Dr. Joachim Zahn, Chairman of the Board of Management

Despite more difficult market conditions and strong competition in 1972, Daimler-Benz have continued the successful progress made over the past few years into 1973. Production and sales during the course of the present year, already show a further upward movement. About 1,000 Mercedes-Benz passenger cars were built during the first six months of 1973, an increase of 3%. Follow-up changes in the upper part of the range of cars, the chassis was placed on efforts to increase production of six and eight cylinder models in the new "S Class". Production of these types including SL and SLC models, stepped up by about 29% to about 44,000 vehicles meet the increase in demand.

The group's entire production of trucks, buses and vans throughout the world rose to about 112,000 during the first six months of 1973, an increase of 10%. These, 93,000 (+8%) were produced at home. As for the whole group for the same period were 7.8 billion DM and were about 17% higher than the first half of 1972.

## A million vehicles in 1972

An important milestone reached along the way to these 100 million was the production of more than 500,000 vehicles by the whole group in a single year for the first time. The sales rose by 9.5% over the previous year to 13.9 billion DM. With a turnover of 7.4 thousand on DM on the home market, and its comprehensive range of products, Daimler-Benz is ahead of all its competitors and is now Europe's leading manufacturer of six and eight cylinder saloons with a monthly output of 12,000 units.

The automobile industry continues to be greatly affected by the changeable overall economic position. Competition is much more difficult, particularly in export markets, use of the monetary policy situation and continuously rising costs. The successful results for 1972 can be attributed to the Company's business and product strategy, build-up in capacity, over recent years and the sense of commitment of Daimler-Benz employees, together with the policy of wide-spread market coverage both at home and abroad.

## It's new in the Mercedes-Benz Range?

New models are indicators of results obtained during intensive research and development work. In the spring of 1972, four models were introduced at the very top of successful 200-250C model range: 280, 280E, 280C and 280CE. They marked the introduction of a new 2.8 six cylinder twin overhead camshaft engine of very advanced design.

The new S Class range followed in the autumn, the 280S, 280SE and 350 SE models. Such is the level of progress achieved by these new models that it is possible to expect safely a significant break through. The S/SL range was further extended in March 1973 by the addition of new 4.5 litre models, 450 SE, 450 SEL, 450 SL and 450 SLC.

The compact four- and six-cylinder range, from the 200 to 280 CE was augmented last August by the addition of a new 240 Diesel and 230 4 while all the models in the range were improved in a number of ways mainly through the application of newly-acquired knowledge in the fields of safety and environmental protection. This successful range of models, first introduced in 1968, has passed the million mark.

At the same time the commercial vehicle range was extended and now includes the new 16-26 ton tipper class and building industry. This marks a considerable step forward in technology, manoeuvrability and comfort for the driver in the cab.

## Production targets surpassed

A total of 323,878 passenger cars were manufactured in 1972 compared with 284,230 in 1971. The demand for economical, low-pollutive diesel cars increased home by 16%.

Group production of commercial vehicles in 1972 totalled 201,937, the increase over the last three years in this sector coming wholly from factories abroad.

Business in the commercial vehicle sector in 1972 was difficult, particularly on the domestic market. A special effort had to be made in the export field in order to safeguard employment in the factories at home.

## Investment programme continues as planned

Over the last four years the firm's domestic capital investment amounted to 3.1 thousand million DM, the figure for 1972 being 672 million DM.

Production of passenger cars has risen steadily. It has increased since 1965 by 86.1%—three times more than the average for the entire German West motor industry.

In the commercial vehicle field, the main investment task was to arrange large scale production of a rationalised programme so as to intensify our ability to compete on the international market. This we were able to do by re-organising the structure of our production division and by incorporating existing capacities.

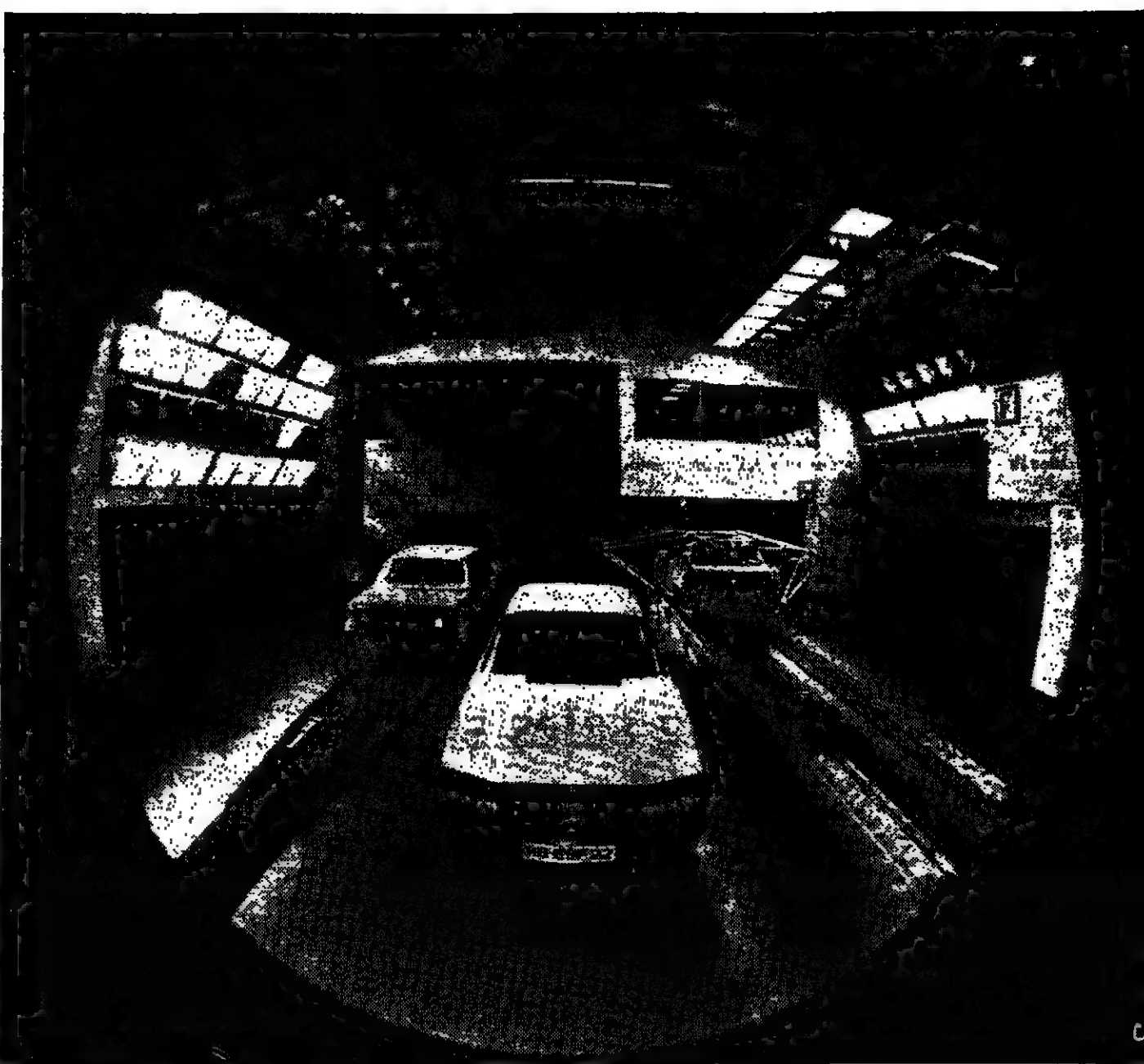
## Well-balanced company structure

The break-down of sales for the entire group shows passenger cars accounting for 46.7% and commercial vehicles 45.9%. The share of export sales in more than 160 countries was 47%.

The European market accounted for more than 80% of the turnover of the West German factories when domestic sales are included.

## Priority for safeguarding the future

Daimler-Benz has laid down clear priorities for the future of the firm and of its employees. Comprehensive research and development will further improve our products as far as safety and environmental protection are concerned, and will make them even better suited to modern traffic conditions.



This "fish eye lens" view of the new Safety Research Centre at Sindelfingen, shows the various test devices used to simulate road accidents under laboratory conditions.



Ecologically "friendly" City buses, with special low-pollution Diesel engines, and noise encapsulated engine compartments are now in series production. The O 305 city bus already meets the stringent California limits of 1975.



A new range of heavy tipper and dumpers for the building industry was introduced at the Frankfurt Motor Show. These forward-control trucks in the 16-26 ton class meet the highest demands for performance, economy, safety, maintenance characteristics and endurance.



Two new saloon cars entered the range recently - the 230 4 with 2.3 litre 110 hp engine, and the 240 D, with 2.4 litre, 65 HP Diesel engine. Together with the other compact-bodied cars in the 200 - 280 CE range, they incorporate styling changes and measures to reduce soiling of windows and rear lamps by road dirt.

Here are one or two examples of what has already been done:

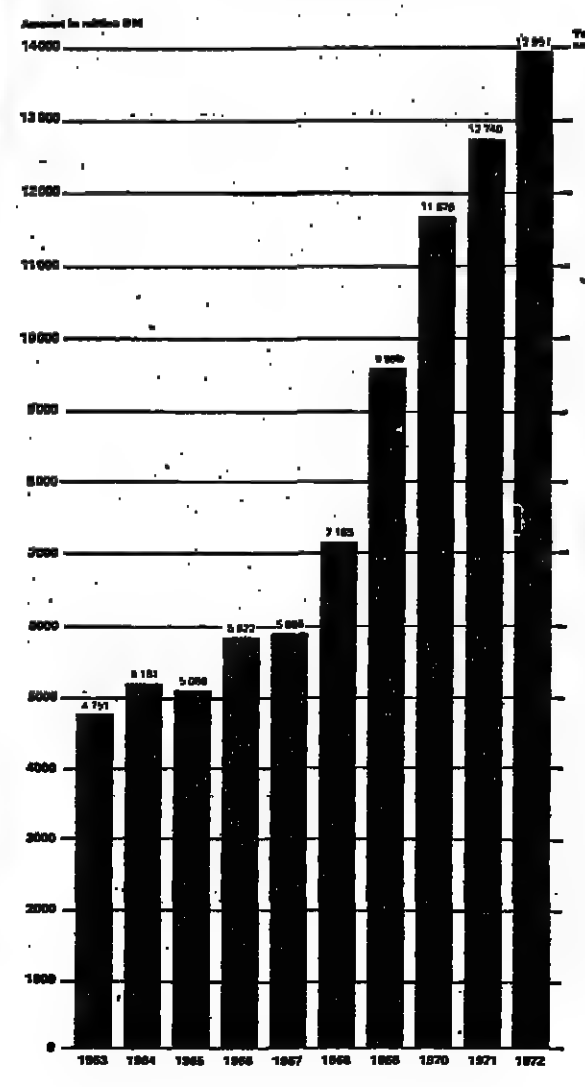
The LE 306 electro-transporter, presented in May, 1972, has been handed over to a large German concern for practical application.

The O 305 "whispering bus" is already on the market. It is the first German series-production bus with the engine encapsulated to reduce noise. All that can be heard at speeds in excess of 40km/h is tyre noise.

## Supervisory Board (Aufsichtsrat):

Hermann J. Abs, Frankfurt a.M., Hon. Chairman; Franz Heinrich Ulrich, Düsseldorf, Chairman; Dr. rer. pol. Friedrich Karl Flick, Düsseldorf, 1st Deputy Chairman; Dr. phil. h.c. Herbert Quandt, Bad Homburg v.d.H., 2nd Deputy Chairman; Dr. rer. pol. h.c. Otto A. Friedrich, Düsseldorf, Dr. rer. pol. Wilfried Guth, Frankfurt a.M.; Konrad Kaletsch, Düsseldorf; Paul Lichtenberg, Frankfurt a.M.

## Sales Daimler-Benz Consolidated



Günter Max Paefgen, Düsseldorf; Dr. jur. Horst Pavel, Bad Homburg v.d.H.; Jürgen Porro, Frankfurt a.M. Employees' Representatives: Paul Gerhold, Kassel; Karl Hauff, Stuttgart; Herbert Lucy, Mannheim; Nikolaus Prediger, Gaggenau; Ernst Schäfer, Sindelfingen.

## Board of Management (Vorstand):

Dr. jur. Joachim Zahn, Stuttgart, Chairman; Heinz C. Hoppe, Stuttgart; Otto Jacob, Stuttgart; Dr.-Ing. E.h. Wilhelm Langheck, Stuttgart; Ulrich Raus, Stuttgart; Dr.-Ing. Dr.-Ing. E.h. Hans Scherberg, Stuttgart; Dr. jur. Hanns Martin Schleyer, Stuttgart; Heinz Schmidt, Stuttgart; Dr. oec. h.c. Rolf P. G. Staelin, Stuttgart; Friedrich K. Binder, Stuttgart, Deputy; Edzard Reuter, Stuttgart, Deputy.

## Daimler-Benz Aktiengesellschaft Stuttgart







## FARMING AND RAW MATERIALS

## Anchovy fishing resumed

LIMA, Nov. 19. ANCHOVY FISHING will be resumed tomorrow off southern Peru, a spokesman for the Fisheries Ministry said in Lima today.

The State Pesca-Peru company, authorised to operate from southern Peru, has been fishing since Friday.

The Government decision to resume fishing follows a decision by the Peruvian Sea Institute to allow fishing from the southern coast, after the Fisheries Ministry had previously banned fishing for anchovy.

The Fisheries Ministry will issue a daily control on catches up to 100 tons and will decide if long the new season will continue.

Anchovy fishing will continue to be banned off the rest of the Peruvian coast because of the risk of overfishing.

## Japan wool mills plan new cutbacks

TOKYO, Nov. 19. JAPANESE wool spinning mills plan to tighten their self-imposed production cutbacks to 20 per cent from the present 10 per cent in the first quarter of 1974 to reduce heavy stocks of wool and worsted yarns, industry sources said.

Wool stocks of worsted yarns reached 26,000 tons at the end of September, and are likely to rise to 28,000 tons by the end of this year, it was stated.

But if the plan for production cutbacks is enforced, stocks would be reduced to between 20,000 and 22,000 tons.

Meanwhile in Sydney it was stated that sales of Australian wool in the months July to October totalled 879,204 bales at 1,318,029 bales worth 56.6m in the corresponding period of the previous season.

The average price of greasy wool during the period was 90 cents per kilo against 94 cents in the previous year. Reuter.

## RI LANKA BUYS SOVIET COTTON

Lanka has signed a contract with the Soviet Union to purchase 27,000 bales of cotton. A spokesman for the Sri Lanka Textile Corporation said Colombo yesterday.

## Copper price soars over £1,000 a tonne

BY JOHN EDWARDS

COPPER WAS traded at over £1,000 a tonne for the first time ever on the London Metal Exchange when cash wirebaskets climbed by 23.5 to £1,012. Tin also rose to a new all-time peak of £2,370 a tonne, although cash tin advanced only 1.5 to £2,355.

Cash zinc, after plunging by 200 on Friday following the ban on buying for dates up to end-December, rallied sharply yesterday gaining 55 to £688 a tonne.

The rise in the copper cash wirebasket price, to well over £1,000 a tonne, was the result of a further tightening of the squeeze on supplies available to the market.

LME stocks were down again, rather more than expected, falling by 4,775 tonnes to 20,150 tonnes. Shipments are continuing to go out, mainly to the U.S. where the shortage is most acute and where fabricators have the advantage of receiving a proportion of their supplies at the artificially low U.S. producer price of 60 cents a pound.

The squeeze on LME supplies is now becoming so acute that the possibility of the Metal Exchange having to take some action to restrain the rise in prices is being seriously talked about.

The Australia Copper Producers Association, for example, have decided to hold its domestic market for a further six months, in line with the LME, because of the fact that the Metal Exchange is not expected to be able to supply the market.

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## 'Record harvest' claim dropped

BY PETER BULLEN

HOPES of a record U.K. grain harvest were dashed by the Home Grown Cereals Authority yesterday. It stated that despite widespread forecasts of another record harvest, its first official figures showed a small reduction from last year's record 15.37m.

The HGA's estimate yesterday, based on the yield of wheat, was 15.37m, down from 15.4m in 1972. The HGA's estimate of the total grain harvest was 15.37m, down from 15.4m in 1972.

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may be forced to introduce the same restrictions on copper trading as it did with zinc last week.

The two markets are very different, with the bulk of zinc being sold at a fixed price while copper prices outside the U.S. are based on the LME cash quotation. It would, therefore, be very serious if the exchange was compelled to take action in copper. It would be an admission that the "free market" principle of prices

## Factories hit

Peter Cartwright, Midlands correspondent, writes: Makers of a wide range of products from die-cast engineering components and toys to brassware and barbed wire are using substantial quantities of zinc, galvanisers and electro-platers are preparing for a crucial six or eight months.

Record world demand for zinc apart from escalating prices is being accompanied by cuts in deliveries from home and overseas sources. To conserve supplies, a number of merchants who have been exporting to the Continent to take advantage of higher prices have either ceased to ship or drastically restricted exports.

Prices of zinc scrap has shot up nearly £100 a ton in the past week to £500 or more for old corrugated sheet, and up to £400 a ton for new zinc cuttings.

Merchants also report some holding back of scrap supplies, while prices have been moving ahead to obtain the highest return.

The situation severely hit are likely to be galvanisers and electro-platers supplying a service to bigger customers who are traditionally small scale operators.

The big battalions, like Delta Metal and DMI are trying to offset shortages by buying more brass scrap, a significant proportion of which is imported.

Nevertheless, deliveries of brass rod and tube from these and other sources are moving out to 12 months delivery.

in fact, it could still turn out to be a record, as any figure at this time of year were purely estimates, he said. Merchants also felt the HGA was splitting hairs over a difference in the harvests of only 170,000 tons.

## COMMODITY MARKET REPORTS AND PRICES

## BASE METALS

	Official	Unofficial	Official	Unofficial
Alumina	100.18	100.18	100.18	100.18
Alumina	100.18	100.18	100.18	100.18
Alumina	100.18	100.18	100.18	100.18
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## PHOTO-ME INTERNATIONAL LIMITED

## GROUP'S OBJECTIVES FOR PROGRESSIVE DEVELOPMENT

The 11th Annual General Meeting of Photo-Me International Limited will be held on December 13 at Sandown Park, Esher, Surrey, at 5 p.m.

The following is an extract from the circulated statement of the Chairman, Mr. E. F. West, F.C.A., on the Accounts for the year ended 30th April, 1973:

Expansion, which continues in accordance with our stated objectives, is evidenced by the turnover for the year ended 30th April, 1973, of £27.5 million, an increase of £1.3 million from last year and by less than £3 million in the past 3 years. However, the fits have remained virtually stationary at £400,000 (£438,000) the profit after taxation has been reduced by more than £157,800 to £78,400. Further examination of the Accounts reveals that but for the losses of certain overseas subsidiaries profit after taxation would have been £267,000.

Nearly two years ago it was said that most of our overseas losses of difficulty would be cleared up in 1972/73, but I want to say that this has not happened. The two wholly owned American subsidiaries are responsible for three-quarters of the overseas losses.

The Directors are applying themselves very vigorously to this problem area. The U.S.A. has an enormous potential it must not be forgotten that a short time ago it was possible for more than half our order book, as well as a large proportion of our turnover, to be generated from the U.S.A. and to be generated from the U.S.A. and to be generated from the U.S.A.

Whilst sorting out the situation in Germany, we felt it was our duty to dispose of our interest in the Austrian subsidiary, which sold at a capital profit.

We can now see further growth in turnover in the home manufacturing division and in the operating companies in Germany, Japan and South Africa. Profitability should improve. The increasing turnover in the operating companies may one day give rise to higher profit from that source than the Value Added Tax is currently being absorbed and passed on by addition to selling prices.

Copies of the Accounts and Chairman's Statement may be obtained from the Secretary, Photo-Me International Limited, 10, Avenue, Walton-on-Thames, Surrey.

## 12% INVEST IN BURNLEY TRUSTEE INVESTMENT BONDS

Minimum investment £1,000  
Repayable 18th December, 1974  
Interest Payable 18th June and 18th December, 1974

Apply to Borough Treasurer (F)  
Town Hall, Burnley BB11 1JA  
(Tel: 0282 25011 Ext. 257/258)  
This offer will expire on 3th December, 1973

## COFFEE

	Official	Unofficial	Official	Unofficial
Alumina	100.18	100.18	100.18	100.18
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## SUGAR

	Official	Unofficial	Official	Unofficial
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## Sugar price jumps to new peak

By Our Commodities Editor

THE LONDON daily sugar price was marked up by 25 yesterday to a new all-time peak of £114 a ton. The increase in the LDR mirrored a new surge in the futures market where the December position ended at £127 a ton at one stage, before closing at £117.75, £3 up on Friday's close.

The March position, after reaching its permissible limit up at mid-day of £112.45 closed at £112.05, £3 up on the day.

Reports of very high prices paid for white sugar by Spain and Venezuela, with their needs believed to be still unsatisfied, set the market on the upward path. Further impetus was given by Brazil's announcement of a selling tender for a cargo of white sugar, which is expected to draw very competitive bids from traders.

Basically it is felt that the market is now feeling the full effects of the world shortage of sugar and the breakdown on the International Agreement that has made buyers more eager than ever to ensure their supplies.

Meanwhile, Reuter reports from Brussels that the EEC will consider to-day introducing an export tax on Community sugar. The move came after the world market price for sugar topped the £100 mark for the first time in the first week of the year. An export tax would be used to prevent sugar being shipped on to the world market.

## Ghana cocoa purchases as expected

By Our Commodities Staff

PURCHASES of main crop Ghana cocoa for the ninth week of the season ended November 15 were estimated at 21,079 long tons, the Ghana Cocoa Marketing Board said yesterday in Accra.

The figure was exactly in line with market expectations and, with the market price at £2,000 a ton, had little influence on prices.

The cumulative main crop purchases of Ghana cocoa at £2,000 a ton are still well behind the total at the same date last season of 155,905 tons but only marginally less than last season's first nine weeks total of 93,294 tons.

The market has been anticipating late West African cocoa shipments, but it is noticeable that these offerings from the producing countries have not the premium of December over the March position considerably.

in fact, it could still turn out to be a record, as any figure at this time of year were purely estimates, he said. Merchants also felt the HGA was splitting hairs over a difference in the harvests of only 170,000 tons.

## Big question marks over EEC farm reform plan

BY ROBIN REEVES

AGRICULTURAL MINISTERS of the Nine gathered here to-day for a two-day session in which they will be giving their initial reactions to the Brussels Commission's proposals for the reform of the common agricultural policy, published a fortnight ago, and also, hopefully, settling the criteria for an EEC hill farming support scheme.

Discussion of the CAP reform proposals is not expected to get very far; not least because a chunk of the allotted time will be lost through the need for Mr. Joseph Godebski, the Minister of Agriculture and Mr. John Davies, the Minister for Europe, who is also attending the meeting, to return to London to vote in the Commons on the debate.

In the meantime, Mr. Godebski's only comment to reporters was that the Commission's proposals were "very good" and that the Community would be able to meet the needs of the hill farming sector.

## Curb on world fish catch call

INTERNATIONALLY-AGREED

legislation to limit fish catches is essential if survival and development of the various food species is to be guaranteed, Mr. Mick Coburn, managing director of Findus, will say to the UN Food and Agriculture Organisation technical conference in Tokyo early next month.

Speaking in London yesterday, he said that such action would also alleviate the supply-demand gap, helping to stabilise world prices.

Mr. Coburn warned that the alternative was a rapid move to wards better equipped fleets chasing fewer fish, "which results in higher prices."

Despite declining U.K. fish consumption, prices were at the highest levels ever. "World catches of fish have been rising at an annual rate of seven per cent in the last 20 years," he said. "The present annual catch being approximately 68m. tons."

Though this figure is well below the 100m. tons a year estimated as the maximum amount that could be taken without damaging stocks, Mr. Coburn said, species were being over-exploited.

"Cod, haddock and plaice are in desperately short supply."

There were "good supplies of less familiar fish" in the world's oceans which could be used by the fish processing industry while stocks were allowed to recover. He listed Merluccius (a small variety of hake), sand eels, blue whiting, Norwegian prawns and Pacific pollock. Most of these fish were small and difficult to fillet, but he was confident that the industry "could devise" the necessary technology.

Difficulty in securing adequate supplies of good quality fish had led to a rise in the price of planned capital investments this year. But there were indications that the recent inflation in fish prices was levelling off.

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to explore what these meant in terms of pounds, costs, etc.

However, he is known to be unhappy in principle at the proposal for trying to reduce surpluses by a tax on milk producers. He may suggest instead that the council should consider linking surpluses to the level of intervention, the bigger the surplus the lower the intervention price.

Other Ministers at the council are also bound to have strong reservations on some aspects of the proposals. The Germans, for example, are known to be worried about the suggestion that future Community farm prices should be based on the income needs of a modern farmer rather than on the income needs of a modern farmer.

On hill farming, the obstacles which prevented agreement on this issue last month appear to have been notably the demand from the French and Italians that the Community should include special aid to U.K. became a net contributor.

## Bolivia likely to give way in cotton dispute

BY ALAN RIDING

BOLIVIAN cotton producers are shortly expected to bow to pressure from Britain and the U.S. and sell this year's 95,000-bale crop at the low contract price agreed upon last January.

After a world cotton price shot up to well over 90 cents a pound, Bolivian producers claimed that their selling price of 90 cents per pound contracted in January was "grossly unfair."

The Bolivian Government then decreed that compensation to be paid by the brokers for the 1974 crop.

Informal sources here said that, with thousands of bales of cotton likely to rot on quaysides once the rainy season begins next month, local cotton producers are pressing the Government to accept a quick settlement by clearing the minimum export price of cotton applies only to future contracts.

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## Curb on world fish catch call











# Oil money versus the environment

IN THE somewhat incongruous setting of a cramped hotel lounge, in the tiny Wester Ross community of Balmacara, a platoon of Scotland's leading lawyers is struggling to decide the fate of about £400m-worth of prospective oil business, at a public inquiry ordered by the Scottish Office.

That, rather starkly, is the issue arising from the joint application by two leading civil engineers, John Mowlem and Taylor Woodrow Construction, for permission to construct concrete offshore oil production platforms at Drumbule, on the south shore of Loch Carron. The companies, which had been competing for the same 90-acre site (partly-owned by the National Trust for Scotland) have since joined forces and now say they hope to build as many as nine of the huge structures, valued at between £20m. and £30m. each, during the next 10 years.

## Norwegian

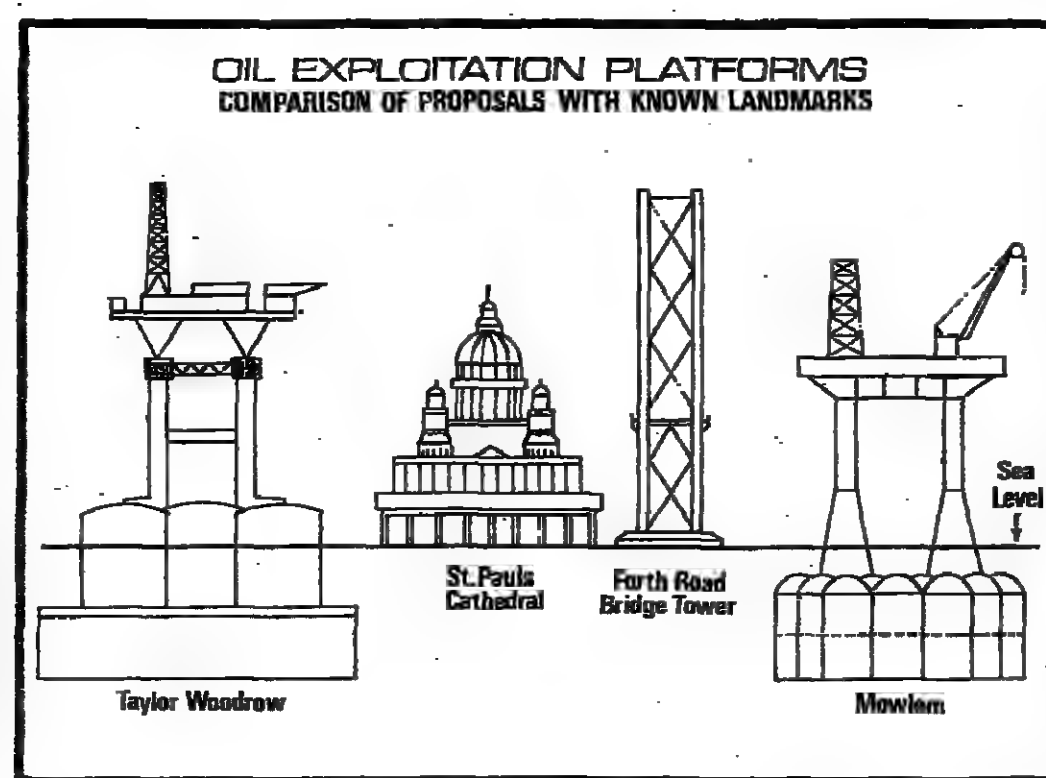
The main lines of the companies' case for development in this remote crofting region were clearly drawn on the inquiry's first day. There has been much reference to "the national interest" in promoting a platform yard at Drumbule as virtually the only way in which British companies might hope to compete with the successful Norwegian consortia which have so far cornered this lucrative market.

This point has been emphasised already by the fact that the first three concrete struc-

tures so far ordered for use in setting of a cramped hotel lounge, in the tiny Wester Ross community of Balmacara, a platoon of Scotland's leading lawyers is struggling to decide the fate of about £400m-worth of prospective oil business, at a public inquiry ordered by the Scottish Office.

It is this emphasis on the "national interest" which makes Drumbule so important: it is also what causes the deep sense of unease which is felt, particularly in the Highlands, about the appropriateness of an industrial project of this scale and style, and the capacity of existing planning procedures to assess the alternatives. The companies have not attempted to conceal the extent of the pressure they are under, both from the oil companies and from the Government—specifically the Department of Trade and Industry. A DTI memorandum circulated for the assistance of the inquiry indicates just how strong that pressure has become.

It points out that between 30 and 50 oil production platforms will have to be installed in U.K. waters of the North Sea by 1980, if the estimated annual production rate of 70-100m. tons of crude is to be achieved by then. The Department assumes that up to 50 per cent. of these structures will be of the concrete "gravity" design, which have a cost advantage over steel structures in deeper offshore sites. This implies a demand for about 30 concrete platforms during the next ten years, says the memorandum, with a peak need for as many as



six in some years during the next six to seven years.

## Deep

The design of concrete platform currently favoured by the oil companies requires very deep water for construction—between 250 and 300 feet. It is this factor which apparently ruled out construction either on the existing East Coast sites where shallower-water steel platforms are being built, or on the Clyde where there are compelling employment reasons for seeking the work.

Mowlem has since last October examined some 26 sites, largely in North-West Scotland. The DTI commissioned an engineering survey which concluded that only three locations

would be suitable—Loch Carron, Loch Broom and Loch Hourn. Mowlem itself ruled out Loch Hourn and has settled for Loch Carron as having "the best combination of desired facilities." It has hedged its bet with an application for a second-choice site on Loch Broom, which will be dropped if it gets Loch Carron.

On the economic value of the work, the DTI says that an output averaging two platforms a year for ten years would total £400m., with 80-95 per cent. of the materials probably coming from U.K. sources. It calculates, too, that the equipment mounted on the platforms—the superstructures and associated engineering work—could have almost the same value as each platform.

## Critical

If there was still doubt about this about where the DTI's

allegiance lay, it would be dispelled by the Department's summary. "The North Sea market offers British companies an unrepeatable opportunity to get in at the beginning of a new era of off-shore oil technology. Concrete gravity structures offer considerable attraction here. There is a wide range of actual and potential benefits that the nation would risk forfeiting if, through lack of suitable sites, British industry were denied the opportunity of entering this market at what could well be its most critical stage."

If that was not enough, there is another, mostly unspoken, reason why Drumbule has found itself a focus of the "national interest." This concerns the speed with which the North Sea oil reserves are capable of being developed, the growing preoccupation with which was highlighted by yesterday's announcement of impending controls on oil and petrol distribution. Both BP and Shell have already had to delay certain parts of their Forties, Auk and Brent fields development programmes. This has happened for a variety of reasons—difficulties with some steel supplies, with welding techniques and with labour disputes.

More important, however, labour shortages, notably on the Cromarty Firth, are now evidently impairing the ability of some of the East Coast yards to quote for new business, and it is felt that they simply cannot be loaded with more platform work for those fields, like Brent, where steel is still a feasible alternative to concrete. For this reason, Drumbule is coming to be regarded as a vital "safety valve" which, by bringing new labour resources into use for the first time on a West Coast site, could help the oil companies keep within their already severely strained time-tables.

over-ruling such a formidable catalogue of "national interests," the objections are considered particularly when some of them have been so explicitly presented to the policy cornerstones of a major U.K. Department like the DTI. On the face of it, therefore, there must be heavy odds in favour of the two companies being allowed to go ahead at Drumbule.

## Objectors

But this in turn raises three other questions of "national interest." The weight that is put on them will in great measure depend on the skill and persistence with which the 300 objectors put their case at Balmacara. In the first place, however, pre-emptive it may be to define the "national interest" purely in terms of the commercial objectives of two companies like Mowlem and Taylor Woodrow, the fact is that Drumbule is needed only because of the current evolution of concrete structure design. There is now massive pressure on British companies to come up with alternatives which may not need such stringent site conditions as those demanded at Drumbule. Redpath Dorman Long, which operates a yard in Fife, has for example now proposed a hybrid structure using both steel and concrete, which can be built in shallower waters. Secondly, there is beginning to be a loss of public faith in the capacity of existing planning procedures to determine, fairly, the kind of issue at stake in Drumbule. Some recent "political" decisions, which have overturned the inquiry that the project marks a turning point, not an end, for the co-

## Character

The project, which will attract a labour force of 600-800, will be in the midst of a hamlet whose population is 25, and on a peninsula accommodating only 1,200 people, whose largest township, Kyle of Lochalsh, inhabited by 750 souls. The does not just make it "environmentally sensitive" as the Scottish Office admits: it means the project will totally and permanently alter the character of the community.

This leads to the third aspect of "national interest." Revolutionary change of this sort must not be bad—if it is organised properly and with care. The choice at Drumbule, between permitting a kind of industrial revolution which will bring the maximum disruption, with the minimum effort made to prevent that disruption; or deciding to co-exist with a lavish resource, a model community whose houses, roads and social facilities could be sustained by (and could attract) other economic activities long after the platform yard has closed. If Drumbule has to be used "in the national interest" it should be in that same interest to ensure that the project marks a turning point, not an end, for the community.

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B. Hammill  
Director and Secretary.

## Squeeze

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BRANCHES AND AGENTS THROUGHOUT THE U.K.

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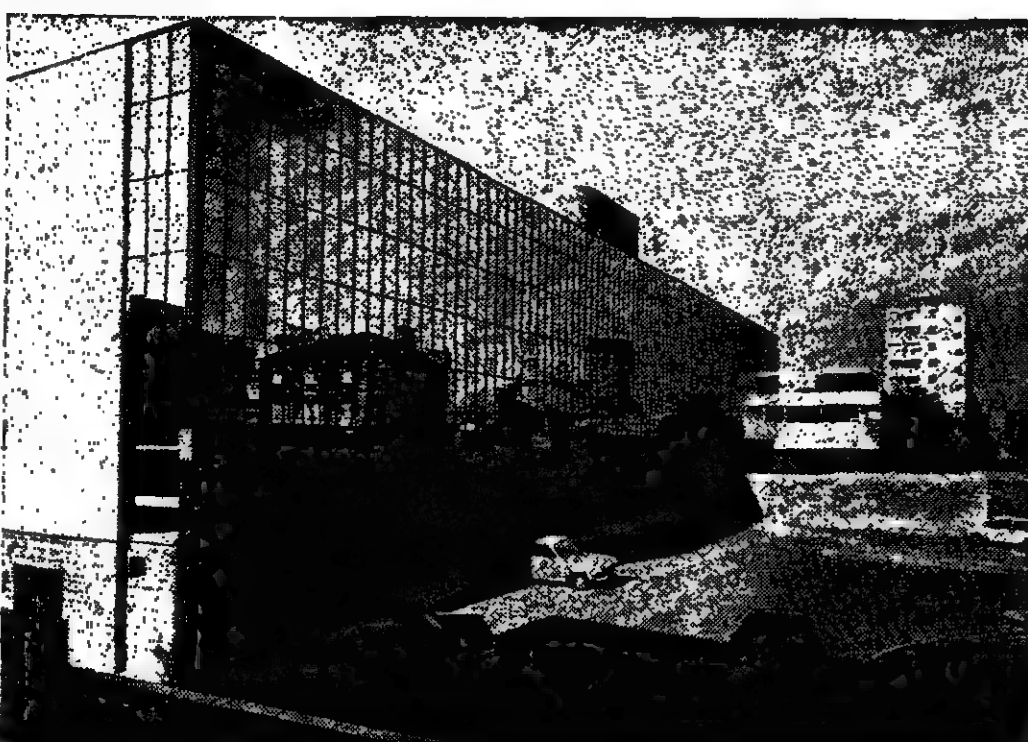
# GLASS

FINANCIAL  
TIMES  
SURVEY

## Boom a mixed blessing

KENNETH GOODING, Industrial Correspondent

Main's glass industry—until today's oil supply news—was through one of the biggest periods in living memory. For many of the companies in the industry it was proving you can really have too much of a good thing. These companies are the glass liner manufacturers who have been faced with unexpected demand nearly all year 1973. For them the item of finding customers for their products has changed to one of pacifying regular customers who are crying out for packages that the industry cannot provide. A problem is dealt with in elsewhere in this survey of the industry but some indication of its size can be gauged by the fact that during the nine months of this year series of glass containers to some trade shot up by 12.2 per cent. over the comparable period in 1972. This pace cannot be maintained during the final months of the year and manufacturers expect that at the end of 1973 they will have shed around 9 per cent. of their containers.



The 200 foot long Solarshield glass wall at Dundee University's new Student Association building.

It is because the industry is budgeted for an annual increase in demand of about 4 per cent. and has only been able to deliver containers over the few months from stocks. So a bumper Christmas has been depleted at the time when, normally, they have been being built up for the Christmas rush. We have arrived at what the industry has dubbed a "one bottle shortage" in which it is some natural in between the container factors and their customers who can see what is to be a bumper Christmas. The industry has been hit by a shortage of glass containers, particularly in the case of beer bottles, which are in short supply. This is due to a combination of factors, including a shortage of raw materials and a lack of investment in new production capacity. The industry is expected to face a similar situation in 1974, unless it can secure a more stable supply of raw materials and increase its production capacity.

**Crystal glass**  
where in the industry U.K. makers of crystal still face severe world competition but in the boom conditions there is room for all. The established companies produce hand-made crystal glass for that order books are full and delivery dates are to the point of embarrassment. This type of glass is expensive but people are willing to pay for it and there is an indication that it is now considered by some as an "investment" rather than something that is just extremely difficult to have on view, to and to use.

There are now a number of new companies making and coloured glassware in the U.K. and their complaint is that the container manufacturers "can't make it". To some extent this is due to labour difficulties, but it also takes time to train a new workforce. Training is improving, but there is a new centre for technical college. At the cheaper end of the market, the makers of mechanical glassware are very busy and likely to continue to be so for some time. The glass fibre container industry is also busy, with a number of new companies making and coloured glassware in the U.K. and their complaint is that the container manufacturers "can't make it". To some extent this is due to labour difficulties, but it also takes time to train a new workforce. Training is improving, but there is a new centre for technical college.

panies continue to expect a 15 per cent. annual increase in demand for their particular product. TBA Industries, the Turner and Newall offshoot, only recently announced it is to spend £3m. on a new glass fibre factory which will produce more efficiently via a one-stage method rather than the two-stage method. Much of this glass fibre is used to reinforce plastic which in the main goes to boat manufacture. But Fibreglass, the Pilkington subsidiary, believes it has a particularly important new product in Cem-Fil, which is a glass fibre reinforced cement. (The break-through here is that the highly-alkaline Portland cement breaks down most forms of glass fibre.)

Which brings us to flat glass and Pilkington itself. Pilkington's invention of the "float" glass process, brought into commercial use in 1959, has transformed it from a reasonably sized family company into a major concern which is probably the world's fourth-largest glass manufacturer. The float glass process has now completely transformed the world's

flat glass industry and is used by nearly all the major glass producers—some 22 manufacturers in 12 countries have been licensed by Pilkington. With the help of the substantial licensing income, Pilkington has since the mid-1960s embarked on a policy of selected overseas expansion, principally in Canada, Australia and South Africa.

### Molten tin

Float glass, a process in which a continuous ribbon of glass moves out of the melting furnace and floats along the surface of a bath of molten tin, has completely replaced polished plate glass for such things as shop windows, motor cars, mirrors and so on. This is because it is much more economical to produce than plate which had to be ground and polished to produce the parallel surfaces which bring optical perfection in the finished product.

The question now is whether float glass will also eventually replace completely plate's sister, sheet glass. Sheet needs no grinding or polishing but has some distortion because of the

way it is made. The glass is acceptable for domestic glazing but not for high-quality uses. Pilkington is naturally biased and believes that float can replace sheet.

But the company agrees there are others who do not hold this view. If float is to become the one process used by flat glass manufacturers it must necessarily produce glass of at least equal quality at a more economic price. And there is the problem. Pilkington estimates it would cost about £20m. to put up a float glass plant on a greenfield site and many manufacturers shy away from this kind of capital investment. Particularly if they have long-standing sheet glass plants, written down to nearly nothing in the books, and which are still capable of producing acceptable flat glass.

Pilkington also stresses that, in the words of the recently-retired chairman Lord Pilkington "float has important, unattained objectives that we believe are within reach." Behind this statement is the knowledge that float is a developing process and that

strides are being made all the time in respect to the efficiency and speed at which it can be made.

Some commentators have suggested that the number of new float plants due to come on stream world-wide will put the industry into an over-capacity position before long. Pilkington does not agree with this view, pointing out that the industry is still in the throes of a massive reorganisation. It is not only expanding to meet expanding demand but also planning for float to be the almost-universal process. The U.K. has seen the reshaping of the flat glass industry and now the rest of the world is following. As the programme goes along, however, the industry will not necessarily get the capacity position judged perfectly—that would be too much to expect.

### Home market

Pilkington has not suffered any qualms since Britain joined the EEC—it says it is too competitive in its home market to be worried about European competition.

And the U.K. glass industry in general has for many years been in contact with its rivals in the EEC—the companies know each other well and understand one another's problems.

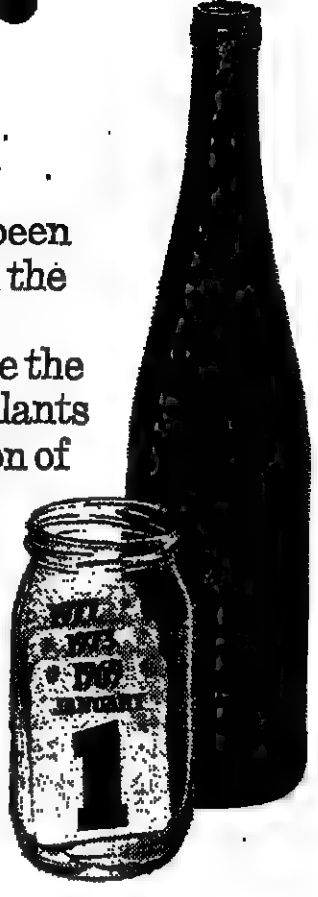
Problems brought with EEC entry are mainly of a technical nature, often involving standardisation of products and give plenty of extra work for the Glass Manufacturers Federation. But the Federation believes the Common Market will offer long-term benefits for the industry. It will widen the market for the U.K. producers, particularly when glass containers are standardised.

## Who are the investors in bottle making?

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UNITED GLASS LTD.

## French dominate on Continent

By GILES MERRITT, Paris Staff

In 1968 France's Boussois-Souchon - Neuvesel (BSN) launched a sophisticated but unsuccessful bid for Saint-Gobain, Europe's largest glass producer. As Europe's second largest producer is BSN, the takeover would have resulted in a mammoth, with sales almost ten times greater than those of Britain's Pilkington.

As it is, even though the two French companies have in fact found other partners since then—Saint-Gobain the Pont-aux-Francaises engineering group and BSN the Gervais-Danone foodstuffs concern—they nevertheless continue to dominate Europe's glass industries.

Subsidiaries of either of the glass plant. It had already given two French glass giants occupy dominant positions in Belgium, West Germany, Italy, Spain, Holland, Portugal, Sweden, Norway and Austria.

Since their famous financial battle five years ago, Saint-Gobain and BSN have, it seems, been careful to avoid coming into open conflict. The latest example of their complex European cross-holdings producing a conflict of interest was last year, when the two found themselves vying for control of a leading Belgian glass-maker, Glaverbel, in which both had substantial holdings.

Although Saint-Gobain was tipped to gain control of Glaverbel, it was BSN that in the end acquired the substantial but financially ailing Belgian company.

The settlement resulted in a reasonably amicable situation where BSN merged Glaverbel with its wholly-owned Belgian subsidiary Mecanover and in return agreed to swap in its own holdings in SGPM's leading Belgian subsidiary. In retrospect, SGPM executives tend to view the result of the Glaverbel affair as a tidying-up of the two rival French spheres of influence in the Belgian glass industry.

But the point of the struggle for Glaverbel was not its prominent position as the manufacturer of over one third of the then EEC's flat glass for window-panes—even though production for that was running at well over 90m. square metres a year. Much more important was Glaverbel's tempting position in the vital float glass sector. The Belgian had been the first on the scene—after Pilkington, of course, with a float

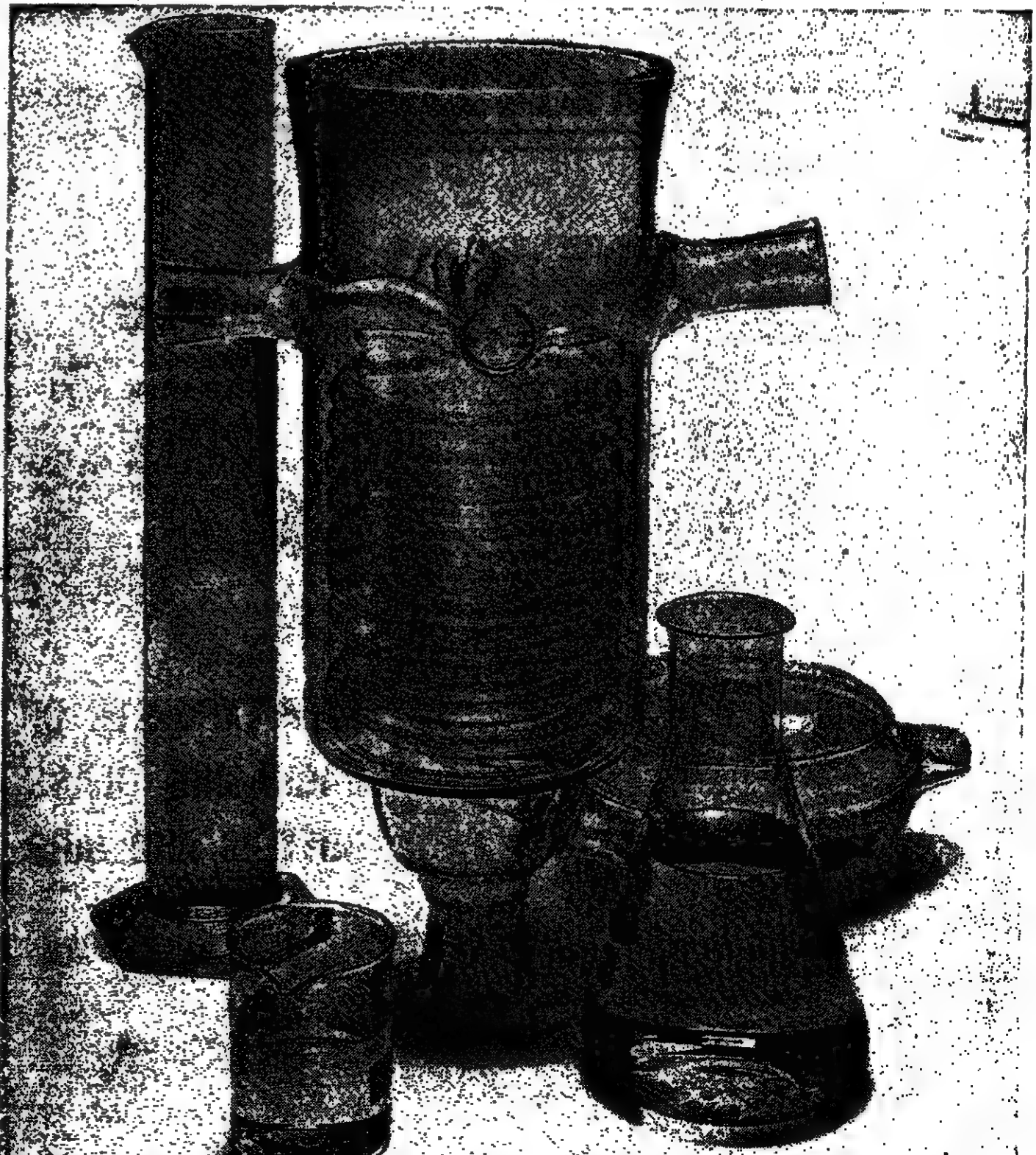
### Lost ground

For BSN, which has lagged behind Saint-Gobain in the fast-expanding float glass sector, it was an ideal opportunity to make up lost ground.

SGPM, on the other hand, has been far from slow to push ahead and build float glass plants under licence from Pilkington. Between 1965 and this year it has invested in eight lines: two small ones producing 220-250 tons a day, three medium-sized lines and three large ones with a capacity of 500-600 tons.

The group is currently working on its latest float glass line at Stolberg, in West Germany. As an example of the complex hold a French giant such as SGPM has on Europe is that the plant is being put up by its Belgian subsidiary, Les Glaceries de Saint-Roch and will be jointly operated in the same way that the two companies have already done at Anvelais, in Belgium.

Continued on next page



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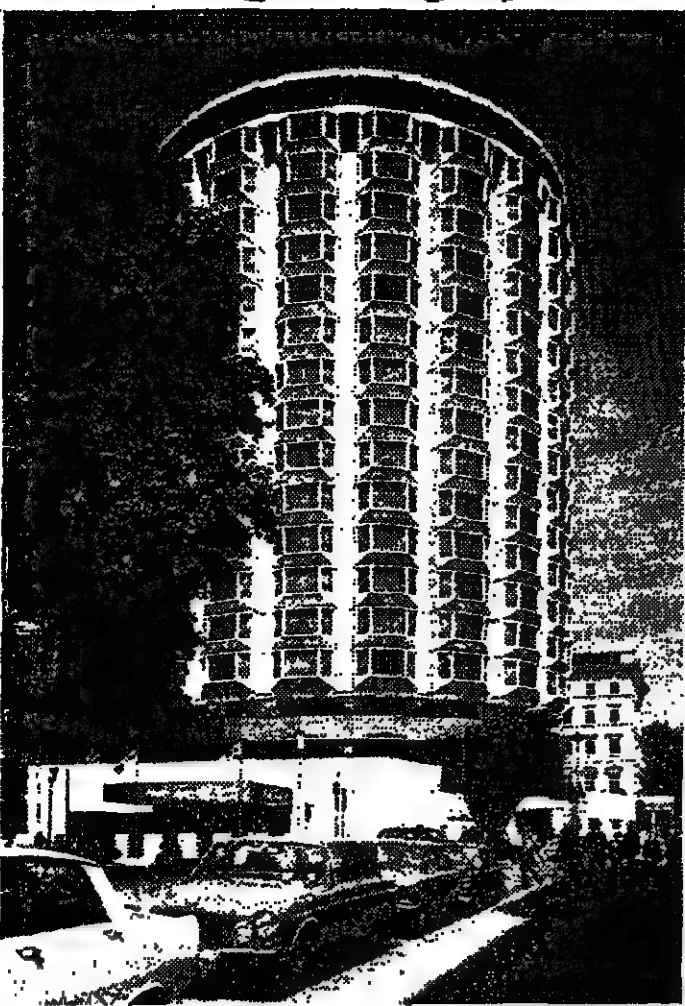
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Sedgwick House, Aldgate, E. Archts: Fitzroy Robinson & Partners

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## GLASS II

# Flat glass performs well

By LORNE BARLING

The use of flat glass in its two most important areas, the building and motor industries, has recently come under increased scrutiny from the point of view of improving its efficiency. A great deal has been spent on research and some successful results have shown it worthwhile.

Manufacturers throughout the world have sought to develop glasses with improved properties in relation to heat, sound and vision. In doing so, they have provided architects and designers with a new dimension, particularly at a time when there is increased demand for environmentally sound buildings and cars.

For example, the badly designed window has now been pinpointed as one of the major contributing factors to energy wastage and discomfort in the lighter weight type of building which has evolved over the last 50 years.

Guidance has now been provided by a number of official bodies, directed towards the designing professions, which is intended to help solve this type of problem. Ideal window design must provide its traditional benefits of light and outlook without incurring environmental problems.

Many modern buildings, constructed in the universal style of light frames and reinforced concrete, supplemented by the use of glass as an infilling material, have failed to produce the desired environment. This can be attributed to the fact that there was no body of knowledge and no newly-developed theory of design to provide guidance.

### Solar heat

To-day, people are demanding more from their place of work and expect higher standards of comfort, but many buildings which are lightweight and highly glazed, allow solar heat in during the summer and loss of heat in winter. Urban noise is also an increasing problem.

It is felt that worldwide developments in architecture which have led to the present situation have demanded too much of the simple clear glass used. Now research and development has

provided types of glass with a greater performance range.

These performances relate in the first place to the lessening of solar heat, which is achieved by tinted, solar heat-absorbing glasses and heat reflecting glasses, which also embody various tints in reflection and transmission. These increase the heat attenuation found in clear glass (about 20 per cent.) through a range of performances to a maximum of 85 per cent.

### Double glazing

Double glazing as a product is now regarded in the U.K. as more of a necessity than a luxury and its performance, complementary to tinted glass, attenuates the loss of heating energy in winter. In view of the increased attention paid to the conservation of energy, more and more emphasis is being placed on the performance of glass in reducing the capital and running costs of building services.

It is known that millions of pounds are wasted annually through loss of heat caused by inadequate insulation of buildings and there have been complaints recently that insulation standards in England and Wales are quite inadequate and well below those of most EEC countries.

It is argued that in present-day buildings the insulation of the roof and opaque parts of the wall may be very good, but this advantage is lost by the poor insulation value of a large single glazed area, whatever the other desirable qualities the window has. Thus the financial benefits of insulation are dissipated.

Some European countries have standards specifying double glazing where the window area exceeds a certain proportion of the floor area and it is considered that the approach adopted in Scotland, where insulation values of total area of external wall are prescribed, should be made applicable to the whole of the U.K.

Nevertheless, there is increasing awareness about the value of environmental control glass, with the double glazing market growing at the rate of

15 to 20 per cent. a year. Solar control glasses are currently the fastest growing market in the U.K.

Pilkington estimates that well over 4m. square feet of its solar control glass has been specified for buildings now under construction in Britain and a substantial portion will be used in double glazed windows. The company says that specifications of at least 5m. sq. ft. are under consideration for buildings at the drawing board stage, mainly in London and the Home Counties.

The principle of solar control is based on three functions of the glass. Some of the sun's energy is reflected from the surface, some is transmitted through the material and some is absorbed. However, this reduction in heat gain is not achieved without some loss of light transmission, although this can have advantages such as privacy, reduction of sky and reflected glare and more comfortable viewing conditions. New colours for tinted coatings have recently become available, including bronze, pink and silver.

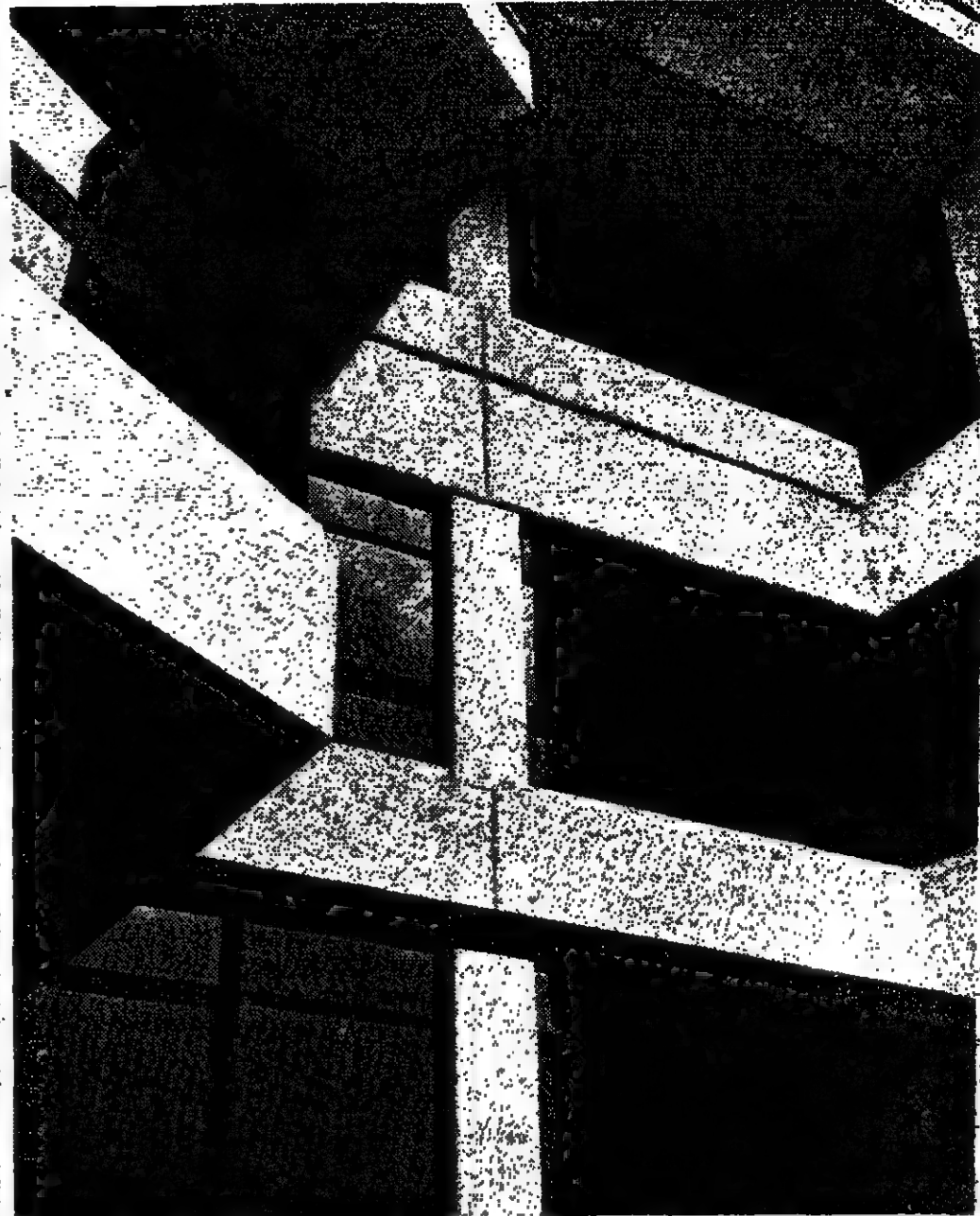
### Car windscreens

In the other big market for flat glass, the motor industry, the debate on the relative values of toughened and laminated car windscreens continues to dominate the scene. Against this background, Triplex has just launched its Ten Twenty windscreen, which tests have shown to be considerably safer than both toughened and earlier laminated windscreens.

Its development has its origins in the late 1960s, when the company went back to the first principles in the search for an ideal windscreen which would remain functional after normal roadstone impact and would retain the occupant inside the car with minimum of injury.

Zone toughened windscreens, common in the U.K., Europe and Japan, have the necessary standards of transparency and durability, retaining adequate vision after stone damage, but are dangerous in allowing a victim's head to penetrate on rapid deceleration.

Conventional laminated glass, with a thicker plastic membrane introduced in 1966, has met most of the ideal requirements, but it was considered that there



Solar control glass, incorporated in Multiglass sealed double glazing units, London Weekend Television's offices on London's South Bank.

was room for improvement in laceration performance. The result is the Ten Twenty, consisting of a low stressed outer glass of 2.3 mm. for optimum stone resistance, a thermally high-stressed inner glass of 2.3 mm. for low laceration and the standard interlayer.

Sled tests carried out at Wayne State University, Detroit, are claimed to show that improvement in laceration damage compared with conventional laminated windscreens was a

hundredfold. However, it will undoubtedly be some time before toughened glass windscreen are replaced by against them.

While laminated glass is being introduced in the more expensive range of cars, as it is to be adopted in the long term, is more expensive. The advantage which is toughened, both Britain and Germany recently failed to agree to an EEC proposal to standardise windscreens throughout the Community. One of the member countries in collisions.

CONTINUED FROM PREVIOUS PAGE

## French dominate

and, Herzogenrath, West Germany, last year.

Due to go on stream in mid-1974, the Stolberg line will push SGPM's float glass production up to 3,500 tons a day and will mean that all of the group's flat glass output will be by the Pilkington method. In rough terms, the float glass capacity will account for three-quarters of SGPM's activity in the glass industry, with the remaining quarter in less high quality glass for windows.

BSN's structure, however, is almost the reverse. As a result of its Glaverbel acquisition, the group's window-glass output of 5,000 tons per day is almost four times greater than that of SGPM. While its overall flat glass production of 6,000 tons is around 50 per cent. greater.

But BSN's lead in this sector of the industry is largely a result of the group's history and its established investments in the European flat glass sector. These commitments actually dissuaded the BSN group from pushing ahead with float glass lines at the same speed as its SGPM rival, with the result that

the extremely active BSN recently found itself faced with the threat of SGPM's more economical, quality float glass sapping its traditional flat glass market.

Not surprisingly, BSN has itself turned to float glass. In 1966 it opened France's first float glass line at Boussais-sur-Sambre, and in 1971 boosted the plant production capacity to 500 tons a day. In addition to the advantages of increased float glass production brought by Glaverbel, it is no secret that BSN is now aiming to raise production by the Pilkington method to 2,000 tons a day, or approaching two-thirds of the SGPM output.

In the very near future it will be starting up its new West German float glass plant at Gladbeck, near Gelsenkirchen, and it is also building another line at Mousier-sur-Sambre in France. To achieve this it is spending half of its 1973/74 investment budget of Frs.600m. Furthermore, between 1976 and 1980 BSN is planning to build a further three major float glass lines.

Although this programme will certainly do much to help BSN catch up with SGPM in terms of the float glass market, there is no question of No. 2 outstripping its French big brother in overall terms.

Not only is Saint-Gobain-Pont-a-Mousson calculated to be the world's biggest glass-maker, scraping in just ahead of Owens-Illinois and Pittsburgh Plate Glass with its 1972 sales of Frs.13,062m. (against BSN's Frs.5,635m.), it has also maintained its European lead in the important glass fibres field. In spite of BSN's efforts to expand there, SGPM continues to control 80 per cent. of that market.

To put this battle of the French glass giants into perspective, though, it is perhaps worth

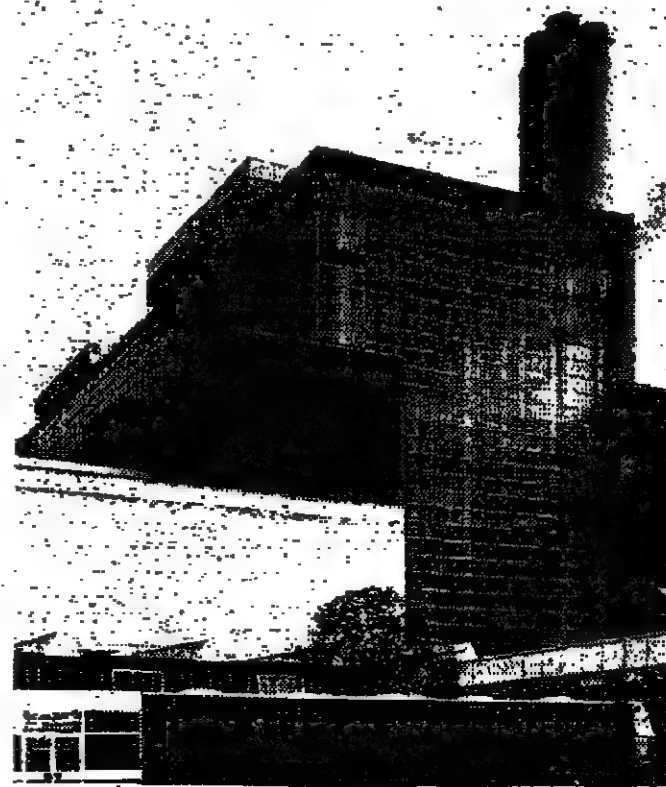
pointing out that Pilkington in the happy position of initial "arms salesman" to be comes out the winner in profitability stakes.

Considerably smaller either BSN or SGPM — a P-based research organisation recently put its 1972 consolidated sales at the equivalent of Frs.2,361m. for the purpose comparison — Pilkington nevertheless came up with a 12.5 per cent. return on capital; SG came next with 11.2 per cent. and BSN third with 6.1 per cent. Even more interesting, Pilkington's net consolidated profit jumped 74.2 per cent. to a Frs.200.5m., against SG's 47.9 per cent. rise to Frs.605

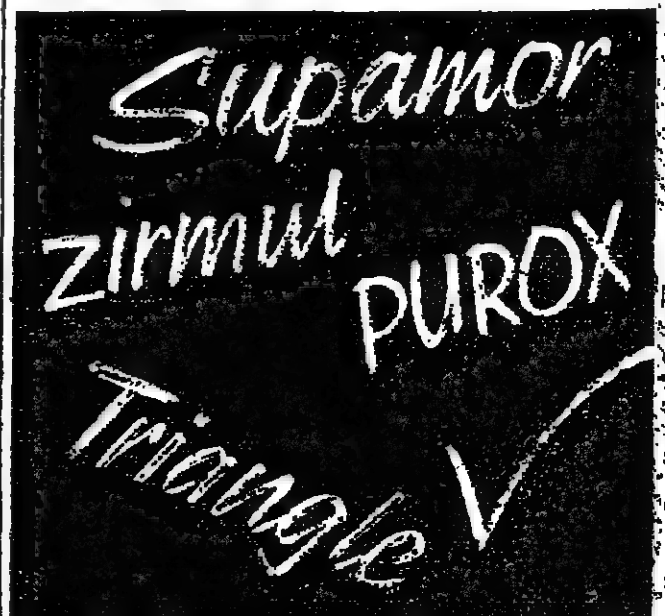
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LASS III

# Massive demand for containers

KENNETH GOODING

You might guess it took a peculiar set of circumstances to produce the crazy situation Britain's glass container industry has been suffering during the past month or so—and will go on suffering some while yet.

One of the problems can be traced back to the April Budget when the Chancellor did two things which affected the industry indirectly. He cut the duty on wine and spirits and he cut the duty on beer. This led to a rapid increase in demand for glass containers, particularly of cheaper wine which is mainly sold in Britain for sale in the market.

At the same time, the Chancellor excluded soft drinks from the burden of VAT and again, had its impact.

It came the long, hot summer which saw sales of soft drinks and beer soaring, those of drinks are 14 to 15 per cent higher than a year ago. Beer sales since April have been about 10 per cent higher than in the same period of the same year in 1972.

None of this was entirely unexpected. A problem of meeting this demand also happened to coincide with a moment when types of packaging and printing materials were in short supply. Brewers, for example, could hardly switch from glass to plastic bottles to meet the demand for beer when demand was already up 60 per cent, in advance of the Christmas season and the can suppliers already unable to keep up with demand.

Writings on a world-wide of plastic and paper and for packaging purposes have the troubles of manufacturers seeking some way in which to distribute products.

This extra demand for containers happened to coincide with a time when another problem began to appear on the scene—the non-returnable bottle. The situation was highlighted in that a published statement in the *Financial Times* by Sir James Barker, president of the Dairy Trade Union. He gave a warning of a possible milk rationing in Christmas unless more bottles are returned to the dairies.

Some years ago a milk bottle had an average life of 100 but since then the average number of trips is down to an estimated 22 to 23. There are vast variations from one place to another. In parts of Liverpool the "tripage" is down to three but in York it is over 50. The reasons are fairly obvious and relate to the living conditions of the people involved. In highly populated areas the return ratio is much lower (the average in London is ten trips). People who live in high-rise buildings, flats and bed-sitters and who fetch their milk supplies from a corner shop do not return the bottles so regularly.



Examples of United Glass after-use containers now available to Continental shoppers.

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## Thrown away

But it also seems that the non-returnable bottle, whose use has been spurred by the supermarket traders, has made a considerable psychological impact on the British so that they now apparently assume every bottle is to be thrown away when empty.

The attitude has also affected the soft drinks manufacturers. The bottlers of Coca-Cola are so perturbed that they are currently in the middle of a £75,000 advertising campaign aimed at encouraging people to return their bottles.

When the demand shot up by 10 per cent, as it did over the first six months of this year, the industry could not cope and would not have been able to cope even if all bottles were returned.

bottles worth almost \$600,000 in deposits. This fits in with the picture painted by A. G. Barr, the Scottish-based soft drinks group which last year took over Tizer. Barr says that in 1972 it lost 10m. bottles costing consumers \$300,000 in deposits.

Coca-Cola maintained: "Returnable bottle losses have been increasing for a number of years now and has reached critical proportions. . . . We are world leaders in the supply of soft drinks in returnable glass bottles—indeed our business has been built up on these packages. All our bottling plants are designed as recycling centres to handle returnable bottles and the shortage is seriously affecting production. Non-returnable bottles form an insignificant part of our business."

This last point was obviously aimed at those who maintain that if all bottles were returned, the shortage would not have been so bad. But this is not true. The glass manufacturing business is not a flexible one and in the past has aimed for an annual increase in demand of 4 per cent. When the demand shot up by 10 per cent, as it did over the first six months of this year, the industry could not cope and would not have been able to cope even if all bottles were returned.

In 1972 demand for bottles was only 1 per cent up on the previous year so the industry had some leeway. But once type used in beer bottles) at the Castleford factory. It would 24 hours a day, seven days a week, there was no other action was taken to handle the stocks. And this was happening at a time, the first nine months of the year, when the usual practice is for the industry to build stocks ready for the Christmas peak.

It meant, too, that the glass container manufacturers were pushing on with production even though they should have been making repairs—a decision which might eventually prove to be financially costly. For example, United Glass and spending will continue at

this level for some time to come. But much of this money will go on modernising plant, not to increase capacity.

And at the moment the question the industry faces is: How is future demand going to go? The current situation gives no guide because some customers must be hedging their bets and doubling up with their orders for glass containers. This means that when the peak of demand is past orders should come back pretty sharply.

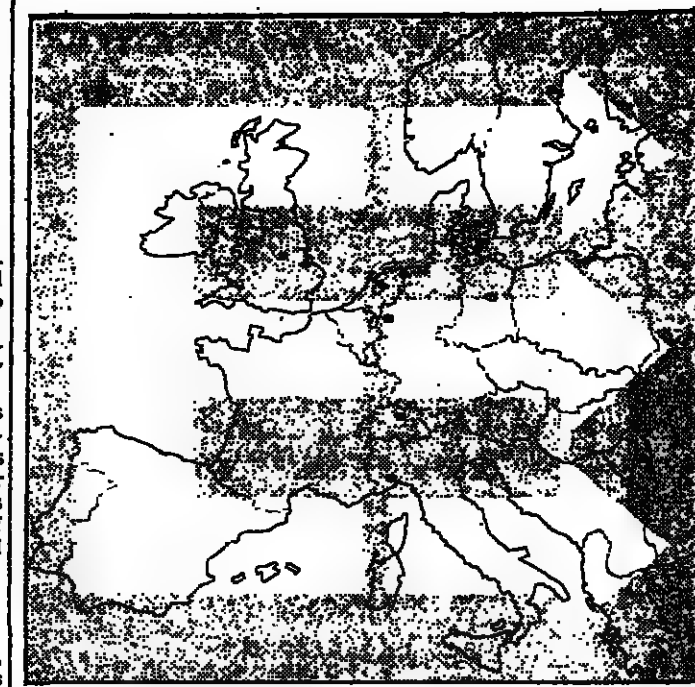
## Future trends

Of the two major concerns, Rockware has told customers they can have all the containers they want, "but that does not mean all the containers they want," a spokesman pointed out—while United Glass says it has had talks with all its customers now and agreed just what should be supplied up to the end of the year.

Of future trends, Rockware believes that the demand will continue to settle down at 3 to 4 per cent, a year on top of 1973's 10 per cent jump but United Glass tends to feel that demand will fall back a little next year.

What all the glass container manufacturers are now hoping is that their customers will now understand the real need for accurate forecasting. The hope is that the container makers and the major customers can get together and do some joint work on this problem.

In the words of Mr. David Bailey, the Rockware director: "In an industry like ours we can cope with 2 to 3 per cent above the predicted demand. But it is impossible to do anything when demand is 7 per cent above the previous forecasts."



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# Many new uses in higher technology

FRED SCHOETERS

Through the building and industries with their off-take of bulk glass for use in windcreens will be the major outlet of various types for a time to come, there are possibilities that certain of glass with a much technology content even the latest safety wind-tight from Pilkington will become an extremely important product of the 70's.

Scene was set some years ago when the first fibre bundles developed to produce "pipes" capable of transmitting images clearly and y, however convoluted in followed by the fibre bundle.

Initial application of the fibre was made by Ferranti as a cathode ray tube to surface more suitable avoid work the image of y which it was required and store. Here the "e" was of the same dimensions as the face of the cathode ray tube which the image was taken. Recently, Jaguar used that in its latest light was being piped a central source to the instruments on board via these light which fine filaments of even a special coating. It is through the light reflections from the of the fibre, suffers little loss over quite considerable distances.

## Large planes

Similar techniques to transmission of ion between major of the instrumentation equipment on large planes and civil air promise to make losses of data or on-computer malfunctions, essential interference, spikes" and so on, a thing of the past.

The acronym Avionic translates digital from a computer or unit into a train of light pulses. These are

carried, in light pipes, to their destination and retranslated into computer language there. In transit the signals create no radiation, nor are they affected by external conditions. Distances as much as 75 metres can be coped with and the system is already fully engineered.

In the electronics industry, high quality alumino-borosilicate glass is providing an excellent medium for the manufacture of integrated circuit photo-masks. Substrates can be provided with an excellent finish and high transmission factor for ultraviolet radiation to give very high resolution of the circuits in production. Now thermal expansion means that once the masks are aligned there is little fear that temperature gradients in the process area will alter the transmitted pattern to any great extent.

Where manufacture demands deposition of chromium and other hard metal films, such glass support layers are thought to be ideal. In a totally different area of industry, tiny glass beads known as ballottini are providing the solution to a number of otherwise intractable problems. For instance, they are employed as the projected medium in one range of surface finishing equipment which provides a beautiful and extremely regular matt finish on the treated metal. Vacuum-Blast originated the idea. In rapid curing of rubber hose and piping, ballottini provide the support and heat transfer medium in fluidised bed equipment developed at Rubber and Plastics Research Association over a period of years to solve problems in this rather difficult operation. The beads do not stick to the extremely tacky surface of the newly-extruded rubber.

Tinted glass with excellent glare-rejecting and heat-barrier properties is now widely used by architects both to control heat loadings in large buildings and to provide novel aesthetic effects. Becoming much more widely used in optical work are the so-called photochromic glasses which have the remarkable property of becoming increasingly opaque as the intensity of the light falling on them rises. The process is com-

pletely reversible although it depends on the reaction to light of extremely small silver halide crystals precipitated in the glass—such crystals in photographic emulsions irreversibly produce an image when decomposed by light.

In photochromic glass, however, they darken very quickly and recover at different rates depending on composition and preliminary treatment.

## Light transmission

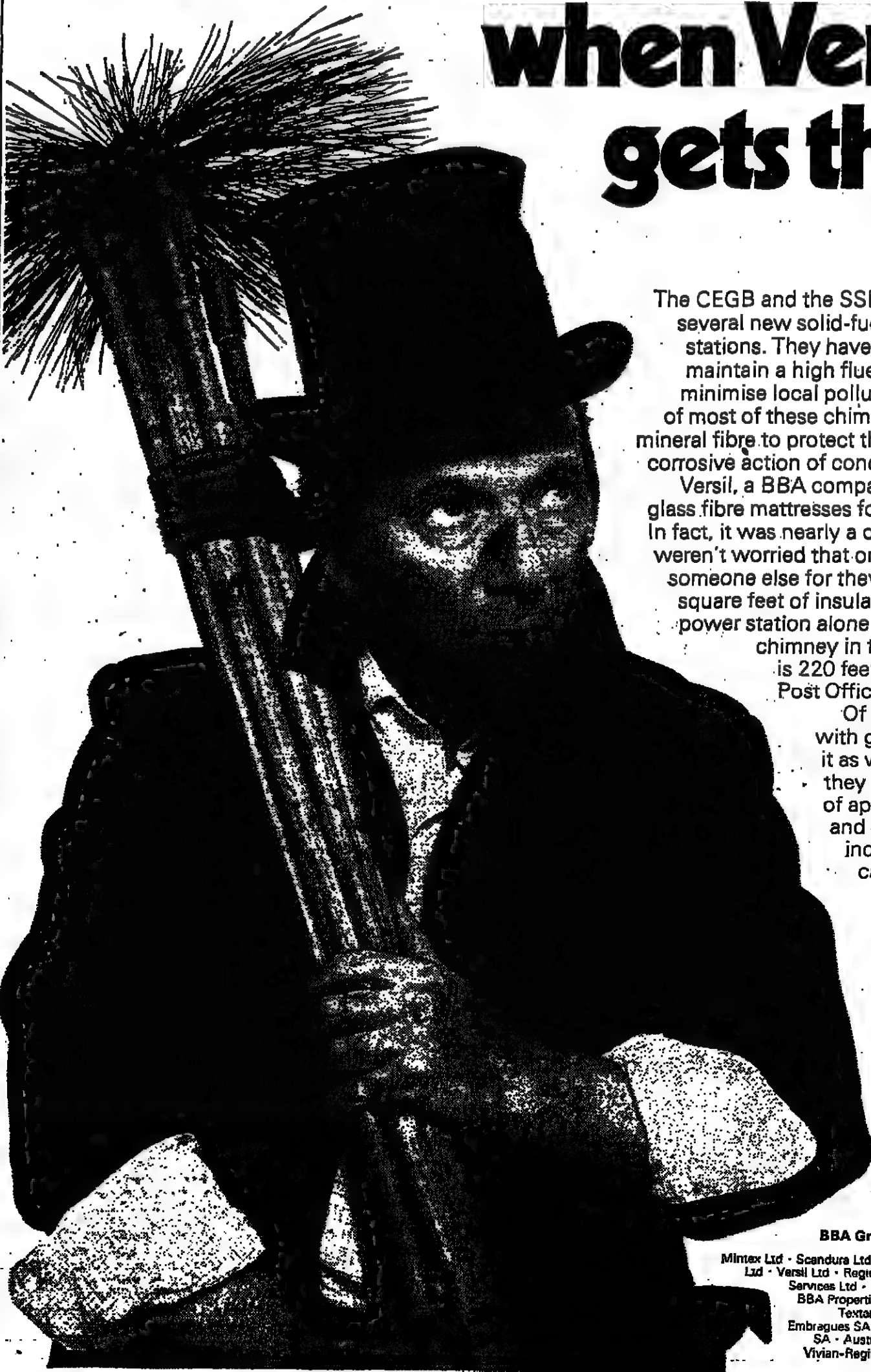
Before darkening, such glasses can be as clear as window glass but afterwards, measurements made at Corning's laboratories show light transmittance can be as low as 1 per cent. Large-scale use of such glasses in the building industry will depend on how quickly the demand/manufacturing cycle builds up.

Another form of glass, an extremely pure form of borosilicate, produced in slabs with an interconnected bubble structure, has remarkable acoustic damping properties which are making it particularly attractive where there are severe noise problems to be solved, according to Pittsburgh Corning.

Looking some ten years or so ahead with the communications experts, one of the most exciting applications for the light pipes mentioned earlier could be to carry many hundreds of TV programmes or hundreds of thousands of telephone conversations using rapidly modulated laser light as the message medium.

Already considerable progress has been made on developing the long, low-loss fibre bundles which would make this possible and a great deal of work has been done on methods of modulating a laser beam and interpreting the modulations to extract, simultaneously, pictures, computer data and speech. This may sound too futuristic to be true, but if communications continue to expand at the present explosive rate—five-fold expansion over 30 years—and have added to them picture-telephone and other services which demand heavy proportions of available channels then some revolutionary means of providing the necessary links must be developed soon.

# It does BBA a lot of good when Versil gets the flue



The CEBG and the SSEB have recently completed several new solid-fuel and oil-fired power stations. They have tall multi-flue chimneys to maintain a high flue gas temperature and minimise local pollution. And the brick flues of most of these chimneys were insulated with mineral fibre to protect the linings against the corrosive action of condensation.

Versil, a BBA company, was asked to supply glass fibre mattresses for seven of the stations. In fact, it was nearly a clean sweep. So Versil weren't worried that one or two went to someone else for they produced 1.35 million square feet of insulating material. The Drax power station alone has the tallest multi-flue chimney in the world, which at 850 feet is 220 feet higher than the Post Office tower!

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## GLASS IV

# Licences boost export income

By DAVID CURRY

Exporting is a peripheral activity for the British glass industry as a whole. In the glass container field overseas sales and earnings are insignificant. For individual companies in the more specialised fields like optical glass and scientific instruments overseas sales are important but they figure in only a minor way in the overall turnover of the industry. For the flat glass sector overseas earnings are important, less in terms of direct exports, though these do take place, than in the field of royalty payments for the float glass process which accrue to Pilkington Brothers.

The export and import figures for 1973 illustrate the relative importance of the various sectors of the glass industry in the trade picture. Total exports of flat glass and glass products last year came to £15.2m. Of this float or plate glass contributed £9.4m. This may be compared with the fact that in the financial year ended March 31, 1973, licensing income from the float glass process contributed some £13.5m. to Pilkington profits of £36.25m.

### Other contributors

Other contributors to exports in 1973 were optical glass (£1.5m.) and glass containers to the tune of £4.6m. Complete vacuum flasks were sold overseas to the value of £3.3m. while glass envelopes for electric lamps contributed £2.25m. and laboratory and pharmaceutical glass £4.7m. to the export total.

The comparison with imports is rather imprecise because the export total is quoted f.o.b. while imports are calculated on a c.i.f. basis. A more exact comparison would be obtained by inflating the British export totals by about 10 per cent.

On the import front flat glass was the most significant item making sales of £7.8m. while safety glass for motor vehicles and glass containers produced earnings of £2.6m. and £4m. respectively. In the domestic and ornamental glass area the U.K. imported some £3.3m. worth of stemmed glasses (£1m. exports) and some £2.2m. of tumblers and mugs (£814,000 exported).

However, the dominance of the domestic market in virtually all glass sectors except float glass is illustrated by comparing the amounts involved in trade with the total sales last year of flat glass and glass products by U.K. manufacturers of £81.8m. and overall sales of containers of £110m.

The relative importance of home and overseas markets was put very neatly by Mr. Peter

Parker, the chairman of Rockware, which, with United Glass, dominates the glass container field. He commented in the 1973 annual report: "We neither expect U.K. membership of the Common Market to pose immediate opportunities for exports, nor immediate threats to our home trade."

This year, in particular, the attention of glass manufacturers virtually world-wide has been focused on their home markets because of the critical shortages of packaging materials of which glass is one of the most important.

Budgeting for a 4 per cent increase in demand this year, British container manufacturers have been unable to cope with a 10 per cent increase in demand fuelled by an unprecedented market for soft drinks stimulated by the zero VAT rating on that product and the long, hot summer. Over the year sales of soft drinks have been up 12-15 per cent. and sales in one-strip bottles up 25 per cent. Cadbury-Schweppes, for example, will use some 1,200m. soft drink containers in the year, 85 per cent of them glass, of which 250m. will be non-returnable.

A. G. Barr, the Scottish-based soft drinks concern has placed a bottle order in Norway after searching as far afield as Poland and Czechoslovakia for supplies.

Ironically, the acute shortage comes at a time when glass manufacturers seem to have fought off the challenge of other packaging materials in the food and drinks field. Some food manufacturers have abandoned cans and other tinplate containers in favour of glass, including instant coffee and fruit juice processors. United Glass has also been campaigning hard to sell the idea of the "After-use" pack—a glass container which will be attractive enough for the housewife to keep and use again after the original contents have been dispensed with.

The shortages of containers are unlikely to make much difference to the balance between exports and imports. The lack of capacity is widespread and processors are finding it very difficult to find foreign suppliers of containers to compensate for the domestic shortfall.

However, while visible exports are relatively modest, the licensing of glass technology is becoming increasingly important, for containers, as well as flat glass. After all, no one wants to have to import a large number of containers "filled" with air when they can buy the technology to make them at home and save the costs of transporting a bulky and relatively lightweight material. Rockware has established a subsidiary, Rockware International, the object of offering technical assistance and training services and has played a part in setting up a Glass Industry Training Centre in East Africa.

### Main gainer

But in the licensing field Pilkington is the main gainer. More than 20 overseas manufacturers have licensed the float glass process and some 40 plants are already producing float glass world-wide. A further 15 are estimated to be in the planning and construction stage. Overseas earnings contributed £23m. to the £36.25m. profits for 1972 mentioned above. Canada alone has float glass capacity equal to half the U.K. total.

Overall the company notched up sales of £90m. for all its products in the U.K., £25m. from North America, £23m. in Australia, £13m. in Africa and £11.5m. in Europe. Pilkington is establishing subsidiaries overseas sometimes with local shareholdings to manufacture float glass under licence from the parent. It is putting £12m. into a South African plant with its local subsidiary and is setting up in Scandinavia, hopefully with

## GRP finds many new applications

By HUGH COLVER

Glass has had its greatest impact on industry and on the consumer in recent years in its application as a fibre reinforcement for plastics. Glass reinforced plastic has found its way into a vast range of products and was the first of the composites to make big inroads into the markets of conventional materials.

The term "glass fibre" is somewhat misleading, although a popular name for GRP, in that glass fibre in a different form is insulation material, and this spreading area, again represents a growth area. GRP consists of a thermosetting resin reinforced with glass fibres. There are other forms of reinforced plastics but because of the very high tensile strength of glass filaments, glass fibre is the most common reinforcement.

The material has a relatively short history, being used first during the Second World War for aircraft radomes and the like. The real breakthrough came later when the Scott Bader company found ways to cure the resins in the cold. That was the key development that guaranteed tremendous growth for the material—a growth that is currently running at 18 per cent. a year. In the U.K. this involves the use of £10m. of GRP materials every year going into £100m. worth of products.

These products cover a wide field since GRP is a unique structural material that can be moulded into lightweight one-piece structures at low capital cost. GRP is also surprisingly strong and has good electrical, chemical and weathering properties.

### Marine sector

The GRP boat hull is probably the most familiar application and indeed it is the marine sector that accounts for the largest single use of the material. However, since the days of the first GRP-hulled dinghies, the trend has been for the material to be used for larger and larger vessels. Naval vessels, trawlers and the like can now be found with GRP hulls.

In the marine sphere, the development of small boating has paralleled the growth of GRP and the main reason is that GRP offers lower production costs, improved resistance to damage, lower maintenance costs and ease of repair. In the marine environment it is also used for fuel and water tanks and various deck fittings.

Use of GRP for tanks in the marine sector gives a clue to the second most important application sector, the chemical plant field, where it has been found ideal for detergent and washing plants, condenser water boxes, fume stacks, brine plants, dyeing vats, sluices and weirs. There are also GRP pipes for chemical and hydraulics uses.

The trend towards GRP use in larger structures, which can be seen in both the marine and chemical sectors, is also now spreading into the building industry where GRP is long established as a roofing material. In roofing GRP can be produced translucent or opaque and architects have found the material's shape-versatility particularly interesting. So we find moulded rooflights, vents and domes in many different shapes. Aside from roofing, GRP is good for external and internal cladding using various "in-built" colours and surface textures.

### Load-bearing

The load-bearing qualities of GRP have not yet been fully exploited in the building industry but complete houses have been made with it. This is an area in which much research is being done at present, particularly in the industrialised building sector.

Another fast growing application area is the motor industry, particularly in commercial vehicle body building where short production runs make GRP attractive. Most current buses and coaches contain GRP body panels, and lorry, tractor and crane cabs are frequently GRP moulded. In cars the economic advantages are not quite so obvious but it is clear that before long GRP use will spread in this area. Reliant and Lotus are among car manufacturers who have already proved that GRP has a place in this market.

In the aviation field, the original use, for radomes, continues but in such a high technology industry GRP has come a long way and some of its most advanced and specialist forms are found in this area. Apart from the general run of interior aircraft mouldings for such things as luggage racks, insulation panels and ducting, GRP is used for many airframe and external components.

Last but by no means least of the main application areas is the consumer durables field where GRP is used for a large



Continuous ribbon of float glass passes under water sprays at Pilkington plant at Cowley Hill, St. Helens. So far some £400m. has been invested world-wide in the Pilkington process, which has been licensed to 21 manufacturers in 12 countries.

local participation, to supply the motor industry and double glazing demand. The company sees considerable sales potential in its Triplex Ten-Twenty windscreens—essentially a laminated windscreen made from glass already toughened and it recently notched up its largest direct export with an order for a Sydney office block for £50,000 of double glazing units.

It reckons that there is still plenty of room to grow in the float glass area which still accounts for only 40 per cent. of world flat glass output but which is certain to rise.

Glass is, of course, one of the great "invisible" exports in the sense that a great many glass containers sold on the home market have export goods put into them. However, the same logic that determines that containers themselves are better manufactured in the market-place than imported also applies to the manufacturers of soft drinks and beers who are big users of containers. British brewing companies are increasingly establishing their own brewing operations through acquisition, licensing or green-field investments overseas and they will be looking for local supplies of containers.

It is difficult to see, then, how overseas earnings will become a significant factor in the turnover of the glass

industry outside the flat glass sector with its direct export potential for specialist products, float glass with its licensing revenues and the pro-



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هكزا مت الأمل



## APPOINTMENTS

## Sir Burke Trend joins Hudson's Bay Board

Sir Burke Trend, who retired as Secretary of the Cabinet at the end of September, has been appointed a director of the Hudson's Bay Company.

Mr. R. A. Stevenson has been appointed a director of the Hudson's Bay Company.

Mr. P. Wand has joined the Board of the Hudson's Bay Company.

Mr. E. Overage, divisional director of the plastics and chemicals division, will relinquish his appointment on December 31 and will be succeeded by Mr. D. Thellus.

Mr. J. G. Dyke has joined the Board of the Hudson's Bay Company.

Board of WILLIAM MALLINSON AND DENNY MOTT.

Mr. J. E. Bambridge has been appointed a non-executive director of WILLIAMS AND JAMES (ENGINEERS).

Mr. A. L. Michael has become chairman of a newly formed company, STANLEY GIBBONS MERKUR GmbH.

The new company follows the acquisition by Stanley Gibbons International of Briefmarkenhaus Merkur in Frankfurt.

Mr. Michael Bogod, Mr. Jim Pearce and Mr. Richard Tarpin have been appointed directors of BERNI INNS.

Mr. A. W. Westcombe has been appointed a director of F. C. FINANCE.

Mr. S. L. J. Raynaud has been appointed to the Board of SPENCER (BANBURY).

Raynaud is also joint managing director of the parent company, Ashbourne Investments.

Mr. J. J. Hartley and Mr. S. R. Horner have been appointed directors of SIMON ENGINEERING. Mr. J. V. Wilkinson is leaving the company and has resigned from the Board.

Mr. C. H. Higgins has resigned as a director of WESTERN SELECTION AND DEVELOPMENT COMPANY.

Dr. Sydney Jones has been reappointed a full-time member of the BRITISH RAILWAYS BOARD for a further period of two years.

Mr. H. W. A. Francis has been elected chairman of the Export Group for the Constructional Industries for the coming year.

Mr. Francis is managing director of Tarmac Construction. Mr. R. J. McAlpine (vice-chairman, Sir Alfred McAlpine and Son) has been elected vice-chairman and Mr. D. M. Balfour (chairman, Balfour Beatty and Co.), honorary treasurer.

## BUSINESS OPPORTUNITIES

## RUN YOUR OWN RADIOSTORE.

A unique opportunity to become the outright owner of a franchise that's the first of its kind in Britain.

Tandy Corporation (Branch UK) is completely new to Britain. A division of the Tandy Corporation of America, where its 'Radio Shack' operation has now grown to approaching some 2,000 outlets.

Nowhere else will you find a similar operation, because a Tandy franchise is your very own business.

You'll be selling exclusive Tandy brands of radio, audio and communications equipment, plus parts and kits. All of the highest possible quality, yet so competitively priced that you can be assured of high volume and substantial profits within a surprisingly short time.

You get the full benefit of Tandy's 50 years' experience, plus full advertising and merchandising support.

Applications are invited initially from interested persons resident in the Midlands area only, where a number of shops are now being converted and stocked. A minimum of £14,000 initial investment is required.

For further information please write in confidence to Dept. 15TANDY Corporation (Branch UK), Bilston Rd., Wednesbury, WS10 7JN, Staffs.

## TANDY

## SECURITY

As an expanding industrial and Commercial Security organisation we are interested in acquiring or participating in existing companies to accelerate their development in the industrial areas of England and Scotland.

Principals are invited to write in complete confidence to: D. B. Stewart, O.B.E., Managing Director, Pritchards Security Services Limited, 1-3, Chancery Lane, London, WC2A 1LG.

## ATTACHE

Medium size Brokers have space available for attachés with sound investment business. A member joining this firm would have the backing of a well established Research Department covering a wide range of stocks, including some European companies. Agents are and will continue to be returned 50% per cent. of their commissions. Write Box E.1692, Financial Times, 10, Cannon Street, EC4A 4BY.

## INTERNATIONAL FINANCE

International finance organisation with interests in travel, property and finance offers exciting opportunities to people of all ages, experience and self confidence. As senior executives and directors of its International Finance Division.

If you have these qualities and a desire to succeed in a challenging and worthwhile career you will have the chance to participate in the organisation and to share in its growth and development. Please send details of experience, personal particulars in confidence to Box E.1690, Financial Times, 10, Cannon Street, EC4A 4BY.

## MANAGING DIRECTOR

JOINT VENTURE

We have substantial private capital to invest and financial skills. We are seeking a partner to join with a proven record of senior management who has modern capital to invest. We offer participation in a sound joint venture carrying a high salary and the opportunity of substantial capital appreciation.

Please reply giving full personal and career details to Box E.1689, Financial Times, 10, Cannon Street, EC4A 4BY.

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with surplus factory space invites proposals for joint venture. Capital available. Write Box E.1643, Financial Times, 10, Cannon Street, EC4A 4BY.

## Finance for Private Company Shareholders

If you are a shareholder in a private company and you or the company require £50,000 or more for any purpose, ring Edward Cox, managing director, Charterhouse Development.

Investing in private companies as minority shareholders has been our exclusive business for over 40 years. Perhaps we can help you?

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## FINANCE AVAILABLE

For viable grass roots projects, exploitation of inventions, advanced technology and equity participation.

From reputable public company—serious propositions to Box E.1693, Financial Times, 10, Cannon Street, EC4A 4BY.

## DON'T SELL YOUR PROPERTY DEVELOP IT

If you are an industrial company with property assets or a property company wanting to develop a scheme but lack management resources ASSET MANAGEMENT can undertake and co-ordinate on your behalf all aspects of a particular development including project management and arranging finance.

For more information write or telephone John Newton, Asset Management Ltd., 120 Crawford Street, London, W.1. Tel: 01-486 5946.

## ORME DEVELOPMENTS

will buy for cash public and private housebuilders.

All details will be kept entirely confidential. Contact DENNIS SLEATH at Whetstone House, The Dicken, High Street, Whetstone, Leicestershire. Phone Narborough 3421. Principals only.

## Confidentially... convert your debtors into cash

CONTACT—Confidential Invoice Discounting Ltd P.O. Box 400 Brighton BN1 4HT. Phone: 0273 86708

THE DIRECTORS of a rapidly expanding private investment Group wish to acquire companies in several sectors of industry and would welcome the opportunity to discuss their requirements with Merchant Banks, Accountants, Agents, and Brokers able to introduce suitable acquisitions. Please reply to the Chairman, Box E.1683, Financial Times, 10, Cannon Street, EC4A 4BY.

## ATTENTION PROPERTY COMPANIES

Public group engaged primarily in civil engineering and building seeks to acquire small property company, essentially with existing capable management, to whom attractive of larger group participation and the opportunity to absorb and develop group's present properties and land have some appeal. Write Box E.1682, Financial Times, 10, Cannon Street, EC4A 4BY.

## CONVEYANCING OPPORTUNITY

Like many other London firms we are looking for first rate commercial conveyancers, in the fullest meaning of that term, admitted or otherwise, age being immaterial. We think the immediate salary and future prospects we can offer are equal to, if not better than, those available elsewhere. If you are thinking of moving, why not contact us at worst you will waste an hour in discussing possibilities. Please write to Box E.1685, Financial Times, 10, Cannon Street, EC4A 4BY.

## SHIPPING

If you are buying a ship or already owning small fleet and need skilled technical advice including world-wide pre-purchase inspection contact U.K. International Consulting Marine Surveyors, who are based at Box E.1687, Financial Times, 10, Cannon Street, EC4A 4BY.

## CAPITAL AVAILABLE

Businessman with capital available, and having wide experience in company management, wishes to become working director or partner in a company operating within 25 miles of Bury St. Edmunds, Suffolk. Write Box E.1686, Financial Times, 10, Cannon Street, EC4A 4BY.

## Danish manufacturer of COFFEMAKER

HEAT TRAY with surplus factory space invites proposals for joint venture. Capital available. Write Box E.1643, Financial Times, 10, Cannon Street, EC4A 4BY.

WENT EXCHANGE agents require financial partner or capital investment for expansion. Write Box E.1684, Financial Times, 10, Cannon Street, EC4A 4BY.

WANTED: Lease and/or plant hire company, immediate decisions—Write Box E.1685, Financial Times, 10, Cannon Street, EC4A 4BY.

LAZY: BOSS, gutters, walls, tanks. Contact the Waterproofer, 10, Cannon Street, EC4A 4BY.

AGENCY OR REPRESENTATION IN DUBLIN. Wide experience in Plastics and Printing. Callings on Bank, Hotels, Sea and Semi-State Bodies. Telephone 01-4775, Exton Advertising, 63 Middle Abbey St., Dublin 1.

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FUNDS AVAILABLE: Business and development opportunities. Write Box E.1687, Financial Times, 10, Cannon Street, EC4A 4BY.

WANTED: Lease and/or plant hire company, immediate decisions—Write Box E.1685, Financial Times, 10, Cannon Street, EC4A 4BY.

## HOME CONTRACTS

## William Sindall wins £1.4m. work

William Sindall has been awarded a contract worth more than £1.4m. for sewerage and disposal works (Western Phase II) for Chesterford District Council. Work is to start this month and is expected to take two years.

C has received a £1.1m. contract to design and build a wool department store at Woolco department store, West Lothian. The store includes the design and construction of the shell of the store and the installation of lifts and escalators.

How Kilpatrick has won a contract worth £1.7m. from Low Corporation for the construction of a new council house in the Kappoch district. Work is due to start next spring.

Dean Watson, a BCI company, received a £300,000 contract for the installation of a new street complex, sham, S.E., from John Laing Construction.

agland and Shaw has been awarded orders worth over £1,000,000. The largest of these, £600,000, is for air conditioning in a new London bank. Another, £120,000, is for air conditioning and heating installations in a new Bishopscote, E.C.2, offices of Provident Life Association.

Two other orders are for boiler plant, radiant heating and extensive pipework for British Rail's new Wimbledon berthing depot (£118,000), and a £48,000 air conditioning contract at a new factory in Glasgow.

Merrol Fire Protection Engineers has won three contracts worth a total of more than £450,000. They include a £233,000 order for a new warehouse being built for British Home Stores at Atherstone Industrial Estate, Warwickshire, and another worth £172,000 for protection of a new extension to the Green Shield Trading Stamp Company's warehouse at Daventry. The third contract, worth about £50,000, is for the installation of 118 fire doors and roller shutters at a warehouse being built for Altham Properties, at Stratford, E. This follows an order for the installation of a sprinkler system at the warehouse.

GBC Switchgear has received an order from British Rail worth about £250,000 for a further eight complete trackside switching stations involving a total of 64 vacuum circuit-breaking units. These are for the Great Northern suburban railway electrification scheme now in progress on BR's Eastern Region.

Ken Instruments, a subsidiary of the George Kent Group, has won a £150,000 contract for the instrumentation of 18 multi-junction stations on the British Gas Corporation's natural gas grid. The order covers the supply of electronic pressure and differential pressure transmitters, gas flow computers, computing bin systems, and indicating and control panels at each station. It also includes the supply of control valve equipment and alarm and power supply systems.

Kode has been awarded a contract worth about £150,000 by Honeywell Information Systems for the supply of teleprinter equipment. The order covers up to 250 units for delivery over the next year.

Myton has won a contract worth about £300,000 from Dilwyn Holdings for structural alterations and refurbishing of existing buildings at 480-138 Minories, London E.C.3. The first phase is due for completion in March 1974 and the second phase by January 1975.

The special works department of Myton has also received a contract worth about £235,000 from Magnum Hotels for the construction of a new mezzanine floor and refurbishing of the existing building at 111 West Basing Street, London, S.W.1. Work which has already begun, is due for completion by August, 1974.

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## The Neville Group LIMITED

## Fundamental change in Group's future policy

The profit before taxation and extraordinary items was £1,140,000 compared with £562,000 and the earnings after taxation and extraordinary items were £734,000 compared with £414,000. It is proposed to pay a final dividend of 3.5p per share making a total distribution for the year equivalent to 30% gross.

Major transactions in the Group during the year and since the year have been fundamental in allowing the Group rapidly to develop and substantially increase its emphasis on deposit banking and investment activities, and to reflect his change the name of the Company is being changed to G. R. Dawes Holdings Limited.

Mr. R. Dawes and Company Limited—Bankers

The bank made progress in each of its main operating areas and in particular our Corporate Finance Department had a very active year. In banking we have considerably widened our range of customers on both sides of the Atlantic. The capital of the bank was further increased to £2.5m on the 29th October. We now have the essential capital base and cash resources to support a very substantial growth in our banking business.

Investments—We now hold a 35% investment in Centraway Investments Limited. This company has performed well, producing a trading profit before taxation of £520,000 for the year ended 31st March 1973.

Investments—The Group holds a 30% investment in the Land Vehicle Group Limited and its subsidiary, it is a highly successful company operating in the field of vehicle distribution, contract hire,

leasing and short term spot hire of heavy commercial vehicles. This company produced profits before taxation of £370,000 in the year ended 30th April 1973.

Other Subsidiaries—Anslow Limited—Drop Forgers and Heat Treatment Specialists.

Produced a trading profit of £121,000 and in the current year we are looking for profits substantially in excess of those for 1973.

William Cole and Sons (Builders Merchants) Ltd. Increased its profits by 50% and present indications are that current profits should exceed last year's.

G. & E. Equipment and Contracts Limited—Manufacturers of Moulded Plastic Products. Substantially increased its profits and the current indications for the plastics group, as a whole are that pre-tax profits should exceed £200,000.

Application for Restoration of Stock Exchange Listing—As a result of the latest requirements of The Stock Exchange the issue of a statement for the purpose of restoring The Stock Exchange listing may not be based on audited accounts made up to a date more than six months prior to the date of the statement. Accordingly audited accounts for the Group to 30th September 1973 are being prepared and we anticipate that the necessary information statement to enable the listing to be restored will be published early in 1974.

H. A. L. Dawes, F.C.A., Chairman

## The Results in Brief Years ended 31st March

	1973	1972	1971
	£'000	£'000	£'000
Profit attributable to members of The Neville Group Limited before taxation and extraordinary items	1,140	652	386
Less Taxation	406	238	109
Attributable Earnings before Extraordinary items	734	414	277
Neville Group Shareholders' Funds	4,470	3,657	3,690
Earnings per share	13.56p	7.64p	5.11p

## G. R. Dawes Holdings Limited

The resolution to change the name of the company to G. R. Dawes Holdings Limited was approved at the Annual General Meeting held on the 19th November.

WENT EXCHANGE agents require financial partner or capital investment for expansion. Write Box E.1684, Financial Times, 10, Cannon Street, EC4A 4BY.

WANTED: Lease and/or plant hire company, immediate decisions—Write Box E.1685, Financial Times, 10, Cannon Street, EC4A 4BY.

LAZY: BOSS, gutters, walls, tanks. Contact the Waterproofer, 10, Cannon Street, EC4A 4BY.

ACQUISITIONS & MERGERS BY AGREEMENT

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GARFIELD HILLMAN

TEXTILE ORIENTATED COMPANY

Preferably with Common Market connections or facilities required by substantial overseas investor. A new European Managing Director will be appointed, but existing management and staff must be available. Write: Goldwyn Bros., Chartered Accountants, 4, Chandos Street, Cavendish Square, London, W.1.

## ENGINEERING COMPANIES

REQUIRED IN SHEFFIELD/CHESTERFIELD area, THE WEST OF ENGLAND, and SOUTH WALES

Our clients are particularly interested in businesses producing a product and are not interested in subcontract machining. Negotiations will be treated in strictest confidence and the name of our clients will be disclosed from the outset.

TYNDALL LIMITED

Please contact: W. Edward, Tyndall Limited, 16 Canynge Road, Bristol, BS9 7UA. Telephone: (0272) 32241. Telex: 44883.

## FOR THE ATTENTION OF COMPANY CHIEF EXECUTIVES

A new organisation has been established to assist top management in the solution of problems and the maximisation of opportunities that arise in the "services". An exceptional team combining professional management skills with strong entrepreneurial flair can:

\* Accelerate the development of existing business activities.

\* Provide low-risk and high return business situations.

\* Provide practical and positive assistance in getting new ventures "off the ground".

In addition, your Sales and Marketing Directors could be alerted to learn more concerning our expertise and special know-how in moving the sales graph upwards dramatically and profitably—Write Box E.1685, Financial Times, 10, Cannon Street, EC4A 4BY.

## SERVICE SELLS!

We are an Engineering based Company, covering mechanical, electrical and electronic markets, with extensive field service facilities. We wish to expand our activities from this substantial base, which includes 14 depots covering all major areas of England and Scotland and a mobile force of some 50 engineers.







# MONEY MARKET

## Interest rates firmer

Bank of England Minimum Lending Rate 13% (since November 13, 1973) short-term interest rates had a tendency in the London money market yesterday, although the market remained highly volatile, as was illustrated by the wide variations between the rates for one place to place. The authorities gave no indication of assistance, by

buying bills, to meet a slight shortage of day-to-day credit. The identified factors suggested a shortage much more than indicated by the official help. Banks had carried over a surplus from Friday, and there was a circulation, while the market held a marginal net amount of maturing Treasury bills. Revenue transfers to the Exchequer were greater than Government disbursements, and the authorities held

Sp. 19 1976	Sterling Certificates of deposits	Inter-bank	Local Authority deposits	Local Auth. regulated bonds	Insurance bonds deposits	Company deposits	Municipal deposits	Treasury bills	State bills	Other bills
wright v. mcdon.	—	8-182	10-11 123-125	—	—	10-11 112	8-111	—	—	—
month of mcdon.	—	123-125	14-141	14-12	123	—	11-113	—	—	—
month of mcdon.	141-125	123-125	14-141	14-12	141-141	—	11-113	12-12	123-125	123-125
month of mcdon.	141-125	123-125	14-141	14-12	141-141	—	11-113	12-12	123-125	123-125
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month of mcdon.	141-125	123-125	14-141	14-12	141-141	—	11-113	12-12	123-125	123-125
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month of mcdon.	141-125	123-125	14-141	14-12	141-141	—</				



## **F.T. SHARE INFORMATION SERVICE**

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234	237	Alcatel	230
237	220	Marlboro	230
75	9	Wallison (Wm)	68
71	51	Manders (Hed)	59
169	122	Starbuck	122
122	12	Barco	77

**For Notes, see page 39**



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## THE LEX COLUMN

## CU absorbs its Australian problems

Commercial Union's third quarter figures take the uncertainty out of the share price. Australian underwriting losses for the year to June come out at £6.6m, against £1.7m, and that sort of figure has been visible for the past month or more. Unlike Royal, moreover, CU has still managed to emerge with a rise in pre-tax profits after nine months, up from £24.8m to £26.5m, after underwriting losses which are £2.5m higher at £6.4m. The upshot was a 4 1/2 share price gain to 156 1/2 yesterday.

Three-quarters of the Australian losses have been consolidated to date—and the underwriting downturn in the third quarter was only £3.6m. That gives a misleading idea of the quarterly pattern: a fair slice of the Australian loss was apparently included in the six months figures, and same applies to the Summerland disaster in the U.K., and the third quarter of 1972 took in some nasty fire experience in Western Europe. But a U.S. operating ratio of 98.8 per cent means that the deterioration there has been

held at 3.3 points—2.4 points after six months—and the U.S. will make a "small" profit this year, against £5m, in 1973. In the rest of the world, there are no signs of any sudden changes in underwriting trends. Meanwhile, investment income is up a net 15 per cent, helped by a big switch from equities to bonds in the U.S. this Spring, and current year profits hopes may range somewhere around 1972's £39.3m, pre-tax with the Delta Lloyd acquisition probably not making much difference either way. So that leaves three points to ponder about a £318m market capitalisation. There is no reason to think that the overall underwriting performance will be any better in 1974. CU's 1972 balance-sheet was already one of the most highly geared in the sector, and its debt has since risen by over £50m. Yet unless valuation yardsticks established for the composites over the past decade have lost their meaning, the time to call the turn for CU and most of the sector cannot be that far away.

See Page 25

## Kwik Save

"Current supply problems in the grocery trade" are of especially direct relevance to a company like Kwik Save, based as it is on discounting national brands. Turning its stock over 23 or 24 times a year, across a limited range of lines, it does not have the scope for trimming back that some of the broader-based supermarket chains might see as an excuse for getting their money costs down (or money income up). With a 30 to 40 per cent physical expansion planned in food space this year, it needs all the stock it can get: the question is whether security of supply is a function of growth, or sheer size. KS would argue the former. It sees the problem as acute, but one way or another it has been able to get most of what it wants. Its first point is that it can switch from brand to brand, and that a number of suppliers are interested in making a claim to shelf space now, with the view that this year if credit has been forthcoming it has not been cheap. Size, it reckons, is more

of an advantage when supplies are easy, and the big groups can go for bigger trade discounts. At the moment, with transportation costs mounting, it sees its own, centrally warehouse type of operation as offering a distinct advantage to the supplier, who might have to make any number of "direct drops" to the stores of fellow customers. So this year's growth targets remain, and the market is not arguing with the shares at 142p on a net, fully taxed p/e of just under 20.

## Godfrey Davis

Godfrey Davis is 14 per cent ahead pre-tax at £14.3m, though profits growth for the six months extends to more than a fifth if extra pensions costs are added back. Even so it is clear that GD has not had an easy time this summer. Profits last year rose by two-fifths on a comparable basis (and around a third in 1971-72) thanks to easy credit and a buoyant second car market while this year it credit has been forthcoming it has not been cheap. Moreover slow supplies

of new vehicles have meant delaying the profitable process of fleet turnover. On the fast growing commercial side GD has apparently had an equally depressing time over supplies, and finally, last year's German acquisition—Severin, purchased for just under £1m—has been hit by airport strikes and turned into the red as a result.

This half, vehicle supplies are trickling through that bit faster while the U.K. hire fleet—up a tenth in unit numbers so far this year—continues to move well. But the current oil situation is an obvious impediment for a net p/e of under 8 on earnings for the past reported 12-months. What fuel shortages may eventually mean to motoring patterns generally is something the market is plainly not finding easy to assess, with GD down 6p to 75p last night.

## Brooke Bond

The proposed compensation to Brooke Bond Liebig's "A" shareholders (accounting for 43 per cent of the equity but 43 per cent of the votes) for los-

ing their voting privileges is a one for ten scrip in Ordinary. In fact the "A"s have been fetching more than double the "B" price recently, but that apparently reflects a largely nominal market. Most of the "A"s are held by the Brooke family.

The official explanation for the move concentrates on the need to be able to grow through share issues, though in any case a fully diluted p/e of say 8 1/2 at 51p for the "B"s would seem to pose problems in that direction. Other minds may dwell instead on the way takeover prospects for ESL itself are being expanded—though the lessening involvement in management of the Brooke family may be as relevant here as the actual vote equalisation moves. Otherwise the report offers no new support for the rating, revealing lower net contributions from the U.K., the Continent and North America, and although a better return is projected in the U.K. this year the group remains heavily dependent on high-risk areas.

See Page 26

## Lombard Need for global-type 'Euroco'

BY C. GORDON TETHER

IT IS fashionable to discuss the value of monetary units denominated in a package of European currencies, such as Rothschild's "Euroco", primarily in terms of the part they can play in promoting the economic and financial integration of the Common Market. There is, of course, no reason why they should not be used to serve that cause. But it makes much more sense at this stage to regard them as a form of currency index-linking pure and simple—whose aim is to minimise the disruptive and inhibiting effects of international monetary turmoil on world trade and financial traffic.

For, starting from this standpoint, it will be possible to get the best unit or units for the job. And the fact is that those based wholly on European currencies are not going to answer to this description for the great bulk of world traffic.

Time was when a trader could arrange his business in one or other of the two main international currencies—or any other one of substance for that matter—without running the risk of losing a great deal of sleep on that account. After all, until the Americans finally torpedoed the Bretton Woods system in 1971, the 1967 unit in value of the £ was the only really appreciable change that had occurred in first league exchange patterns in 25 years.

## Great damage

Needless to say, things are very different today. And there are no really solid reasons for thinking that they are going to get any better. The world currency map has been twice redrawn over the past two years and yet another major reconstruction now appears to be getting under way. Because global inflation and growth madness have, between them, created an atmosphere in which for the moment almost anything goes, the extent to which the flow of desirable trade and financial activity is liable to be basically disrupted by currency uncertainties has not so far attracted much attention. But there can be no doubt that, in the end, these forces are going to inflict an enormous amount of damage—unless that is, ways can be found of providing the business community with adequate and inexpensive methods of protecting itself against them.

## The choice

Where purely inter-European traffic is involved, there may, of course, be a strong case for employing a yardstick based only on European currencies. But where international traffic as a whole is concerned, the arguments for using an index which will be EEC-oriented will be obviously unimpressive. It is quite conceivable that the behaviour of Community currencies as a group will be radically different from that of other major currencies in the years ahead. And those engaged in international trade with—and in other parts of the world would, therefore, be happier with a more impartial form of index-linking.

The Arab oil-producers have been toying with the idea of insisting on the use of gold-related unit for their trade with the outside world. But as the metal has become so vulnerable to political manipulation, it is hardly practicable to proceed on these lines at present. And when EEC currencies are used, a unit denominated in a basket of commodities is likely to be seen as altogether too way-out and hazardous.

Indeed, at this stage the best all-purpose unit would undoubtedly be one based on a basket of all the advanced countries' currencies. And it is, therefore, to be hoped that the international banking community will give more of a zealous slant to its thinking about creating and popularising suitable vehicles if and when EEC monetary integration assumes a really meaningful character, a Euro-oriented unit may be helpful. In the meantime, a global unit would be a much better—ad—even to traffic within Europe.

## Talks may herald peace moves in the coalfields

BY JOHN ELLIOTT, LABOUR EDITOR

LEADERS of the National Union of Mineworkers meet to-morrow to decide whether to initiate moves which could lead to the industrial action in the coalfields being called off. This follows a talk yesterday with the National Coal Board. After the meeting, during which the 280,000 miners' pay offer was re-arranged and fringe benefits decided it appeared that the chance of peace moves starting were higher than at any time since the current pay dispute began.

## Lengthy Ulster executive talks

BY RHYS DAVID

INTER-PARTY talks on forming an executive in Northern Ireland were adjourned to-night after a lengthy session and will be resumed on Wednesday. It had been hoped that some kind of agreement might emerge from the talks on the basis of a package presented by Mr. William Whitelaw, Secretary of State, outlining action the British Government proposed to take on the controversial questions of the police, detention and the Council of Ireland.

## Rapid rise in money supply, loans

BY MICHAEL BLANDEN

A FURTHER sharp rise in the money supply and bank lending during the month to mid-October provides the background to last week's "crisis" measures to restrain the rate of monetary expansion. The figures released yesterday by the Bank of England suggest that the previous pattern has continued, with the narrow definition of money supply (M1) showing only modest growth, but with the wider definition (M3), which takes in deposit accounts with the banks, still rising rapidly.

The changes in money stock have yet again been confused by a number of special short-term influences, including the impact of VAT payments during the month and the renewal of arbitrage operations as a result of the high level of interest rates in the money markets. Overall, the figures indicate that M3 has risen by 6 1/2 per cent over the latest three months, equivalent to an annual rate of some 26 per cent.

This rate of growth, which may slightly understate the actual increase, was one of the reasons for last week's measures to force interest rates up further through the announcement of a 1 1/2 per cent Bank of England minimum lending rate, and to restrain bank lending through the extra 2 1/2 per cent call of special deposits.

By the substantial "unsocial hours" payments allowed under the Government's Stage Three Pay Code. Broadly this will mean raising the total incomes for those who had been offered under £3 a week at the expense of those offered more than £8, so that total increases, apart from holiday pay, now range from £2.90 to £8.30 instead of £2.30 to £3.37.

## Economy: Heath's 'hard choice'

By John Bourne, Lobby Editor

MR. EDWARD HEATH, the Prime Minister, yesterday reiterated the Opposition's charge that the hard choice for the country was between the Government's present policy of sustained expansion of the economy with an orderly increase in wages, and a return to deflation, stagnation and unemployment.

## Oil supply crisis

Continued from Page 1

Despite the exemption of the EEC from the most recent round of 5 per cent cuts in Arab production, the producers, and most important Saudi Arabia, have made it clear their determination to keep up the pressure on the world's oil until a full and satisfactory settlement is reached on the Arab/Israeli question.

The further cuts are having a severe effect on Japan in particular, while the U.S. and Holland remain totally embargued by the Arab producers. The economic impact of both Japan and the U.S. is now being seriously affected—and even if Europe were to suffer no further—the economic impact on these countries would be bound to involve the U.K. and the EEC as well.

At the same time, the major producing countries of the Organisation of Petroleum Exporting Countries (OPEC) have also torn up the previous price agreements with the industry and sent crude oil costs into what many fear is an irreversible spiral.

As the major consuming countries of the world meet in the OECD to-day, it will be with a mixture of specific pleas for help by some countries like Holland and Japan and an equal reluctance to enter co-operation on the part of other countries like France.

## MONEY STOCK

(Seasonally adjusted totals and percentage monthly changes in 1973)

	M1	% change	M3	% change
Jan. 17	11,760	-0.7	25,410	+2.2
Feb. 21	11,830	+0.6	26,390	+3.1
March 21	11,960	+0.8	26,790	+1.5
April 18	12,200	+2.0	27,050	+1.2
May 16	12,240	+0.3	27,180	+0.5
June 20	12,370	+1.1	27,670	+2.5
July 18	12,440	+0.6	28,960	+4.7
Aug. 15	12,620	+1.5	29,480	+1.8
Sept. 19	12,630	-0.1	30,400	+3.1
Oct. 17	12,360	-2.2	30,470	+0.2

M1 includes notes and coins in circulation plus bank current accounts.

M3 includes M1 plus other items, the main one being bank deposit accounts.

Source: Bank of England.

## Prices up faster than wages

BY WILLIAM KEEGAN, ECONOMICS CORRESPONDENT

PRICES WERE rising faster than wages in the U.K. during the closing months of Stage Two of the Government counter-inflationary policy, according to statistics released yesterday. Following last Friday's news that the retail prices index went up by 2.85 per cent between August and October it is now known that over the same two-month period wage rates rose by less than 0.8 per cent and earnings by 1.5 per cent.

## Guarantee

Towards the miners the war was almost conciliatory. He pointed out that the Coal Board's pay offer and its proposed threshold agreement would guarantee them a rise in living standards next year of 8 per cent—greater than the rise in the economy as a whole.

Labour backbenchers were no more inspired by the performance of their Leader, Mr. Harold Wilson. Some pointed out afterwards that much of his speech was irrelevant to the real economic problems facing the country, and that, for example, he had concentrated too much on the Government's "broken pledges" after the 1970 election.

## Oil supply crisis

Continued from Page 1

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As the major consuming countries of the world meet in the OECD to-day, it will be with a mixture of specific pleas for help by some countries like Holland and Japan and an equal reluctance to enter co-operation on the part of other countries like France.

The longer term implication of recent events on future supplies and fuel costs can hardly be over-emphasised and, as British policy recognises, these can only be solved in common with other consumers.

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## Weather

U.K. TO-DAY

MAINLY DRY and rather with frost early and Showers in East and North. London, S.E. Cent. S. and England, Channel S. and Wind N. to S.E. light. Max (45F).

Midlands, N.W. and Cent. England, Lakes, I. of W. Mainly dry, sunny with Wind N. to S.E. light. Max (45F).

S.W. Scotland, Glasgow, Highlands, Argyll, N. Ireland, sunny periods.

E. Anglia, E. England, Sunny periods, in showers. Wind N. to W. N. light. Max 6C (43F).

N.E. England, Borders, North and E. Scotland, Abernethy Firth.

Bright periods, occasional showers. Wind N. to W. light. Max 5C (41F).

Galilee, N.W. Scotland, Orkney, Shetlands.

Bright periods, occasional showers. Wind variable light. Max 5C (41F).

Outlook: Dry in most overnight fog.

Lighting-up: London Manchester 16.35, Glasgow Belfast 16.45.

## BUSINESS CENTRES

City	Index	City	Index
Amsterdam	158.12	Paris	124.12
Antwerp	158.12	Rome	124.12
Bombay	158.12	Stockholm	124.12
Buenos Aires	158.12	Switzerland	124.12
Calcutta	158.12	Vienna	124.12
Canton	158.12	Zurich	124.12
Cebu	158.12		
Hankow	158.12		
Harbin	158.12		
Hong Kong	158.12		
Kobe	158.12		
London	158.12		
Lyons	158.12		
Manila	158.12		
Peking	158.12		
Rangoon	158.12		
San Francisco	158.12		
Shanghai	158.12		
Singapore	158.12		
Tientsin	158.12		
Yokohama	158.12		

## HOLIDAY RESORTS

City	Index	City	Index
Amsterdam	158.12	Paris	124.12
Antwerp	158.12	Rome	124.12
Bombay	158.12	Stockholm	124.12
Buenos Aires	158.12	Switzerland	124.12
Calcutta	158.12	Vienna	124.12
Canton	158.12	Zurich	124.12
Cebu	158.12		
Hankow	158.12		
Harbin	158.12		
Hong Kong	158.12		
Kobe	158.12		
London	158.12		
Lyons	158.12		
Manila	158.12		
Peking	158.12		
Rangoon	158.12		
San Francisco	158.12		
Shanghai	158.12		
Singapore	158.12		
Tientsin	158.12		
Yokohama	158.12		

TAYLOR'S Late Bottled Vintage RESERVE Port 1967

The label says it all.

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